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NEWS SUMMARY

GENERAL

Crisis talks by Israel Cabinet

Israeli Prime Minister Menahem Begin will make a big effort at a Cabinet meeting tomorrow to restore order to his strife-torn Government.

He intends to warn his colleagues that their public criticism of each other must stop because it is harming the ruling party and the country.

Ministers are divided over ways to fight inflation and over settlement policies in occupied territories. There have been calls for the Premier to dismiss some Ministers. Back Page

Rabies scare

A Dover-London boat train was halted for 45 minutes outside London's Victoria Station as police checked its 500 passengers after reports that a young German traveller had been bitten by a rabid cat. The man was traced later and found not to have been bitten.

Tough justice

Sicilian financier Michele Sindona, who disappeared in New York nine days ago, is being held prisoner by a group which says he will have to answer to "proletarian justice," his lawyer said. A caller to the New York office of an Italian news agency said he would be shot today.

Siege ends

More than 20 demonstrators seeking the release of political prisoners in Mexico ended a six-day occupation of the Swiss Embassy in Mexico City.

Iran mystery

Iran's elected constituent assembly, due to open yesterday to examine the Islamic Republic's draft constitution, was postponed without explanation for about 10 days. Page 2

Sponsorship ends

Sponsorship of the British Professional Golf Association championships is to be withdrawn by Colgate-Palmolive. Support for the men's grand prix tennis circuit and three women's golf tournaments will also end.

Mitterrand action

French Public Prosecutor's office has begun legal action against Socialist leader François Mitterrand over "pirate" broadcasts. Page 2

India's rocket

India test flew a rocket-carried satellite launch vehicle from an island site north of Madras. The failure of the second stage prevented it reaching the height and speed needed to put a small payload into orbit.

Ulster clash

On the eve of today's Apprentice Boys' March in Londonderry, masked youths stoned troops near the city centre.

EEC warning

The Common Market Commission gave Britain 45 days to explain why it unilaterally increased minimum net sizes to be used by fishermen in its waters. The move is the first step in a process which could bring the UK to the European Court of Justice.

Briefly . . .

Coach plunged into river in western India, killing 33 passengers. Two British tourists swam to safety.

Air India halted all Heathrow flights because of a dispute between its London management and transport union members.

More than £5.5m has been left in the will of Mrs. Barbara Green of North London to her husband.

BUSINESS

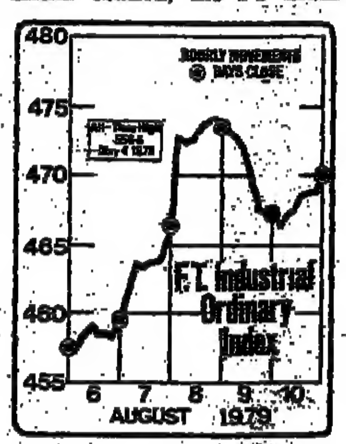
Wall St. up 8.78; Gold rises $6

● GOLD closed $6 an ounce up at $302¼, a rise of $15 on the week. The New York Comex August settlement price was $303.30 ($299.80).

● FT Gold Mines Index gained 3.0 to close at 169.3.

● STERLING rose 1.2c to close at $2.2475, its trade-weighted index reaching 71.5 (71.1). Dollar's trade-weighted index fell to 84.3 (84.4).

● EQUITIES gained after initial caution, the FT Industrial Ordinary index closing 2.6 up at 470.0.



● GILTS eased in mixed trading ahead of the new tap stock announcement, the Government Securities index losing 0.22 to close at 73.74.

● WALL STREET closed 8.78 up at 867.06.

● IRAN demanded repayment of part of the DM 5.877bn (£1.44bn) paid to West German contractor Kraftwerk Union in respect of work done on two uncompleted nuclear power plants on the Gulf. Back Page

● EMI has dropped plans to occupy a new headquarters building being built in London's Tottenham Court Road. The company said the decision was the result of a "belt-tightening exercise." Back Page

● BRITISH Aerospace remains confident that its £1bn-plus contract with the new Indian Government for Jaguar combat aircraft will be continued, despite India's decision to review the contract. Page 2

● DOCKERS' unions called for a financial restructuring of the Port of London Authority, industrial development of the PLA's surplus land and re-equipment of the Upper Docks to attract trade. Page 3

● CURRENT credit squeeze has not yet resulted in any significant restrictions in bank lending to personal customers, according to major clearing banks. Page 3

● NATIONAL Panasonic (Matsushita) and Sony of Japan are studying the market for Prestel viewdata sets and may shortly decide to manufacture these in their Welsh plants. Page 3

● TALKS to end the inter-union dispute over British Steel's £100m Hunterston ore terminal broke down, with the transport union still claiming all of the 60 new jobs for registered dock workers. Page 3

● OUTLINE terms for a lease an option agreement covering Mersey Docks and Harbour Company's South Docks have been negotiated with Merseyside County Council. Page 16

● THOMSON Yellow Pages, a subsidiary of the Thomson Organisation, has turned down its part of the Post Office's Yellow Pages contract. Page 3

COMPANIES

● UDS GROUP confirmed that it has bought from Tootal the Van Allan shop chain at a cost of £16.5m. Page 17

● SUMITOMO Corporation, the Japanese trading house, raised consolidated net profit by 77.5 per cent last year to Y9.56bn (£19.34m). Page 19

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
Adams & Gibbon	83	+ 11½	McKay Securities	133	+ 6
...arys	256	+ 10	Mills & Allen	270	+ 20
...sett (George)	98	+ 4	Stylo Shoes	226	+ 22
Channel Tunnel	125	+ 15	Tern-Consulate	77	+ 7
...st Nicholson	102	+ 4	Town & City	22½	+ 1½
...ates Property Inv.	148	+ 6	Whittingham (W.)	83	+ 5
...garty (E.)	335	+ 11	Wholesale Fittings	363	+ 8
...kell (Bacup)	57	+ 9	Tricentrol	236	+ 13
...C	390	+ 10	Anglo Amer. Gold	£19⅝	+ ⅝
...ode Durrant & Murray	23	+ 3	Central Pacific	750	+ 90
...sher A	56	+ 4	East Driefontein	674	+ 27
...rton (Amos)	80	+ 4	Southern Pacific	295	+ 30
...nting Gibson	297	+ 10	FALLS		
...h Distillers	85	+ 5	Belhaven Brewery	34	− 3
...d Securities	305	+ 5	Bestobell	220	− 6
...nders	165	+ 14	London Sumatra	255	− 10

Britain plans talks on Rhodesia in London next month

BY PHILIP RAWSTORNE

The Government will send out invitations next week for a Rhodesian constitutional conference in London in mid-September.

This was agreed at a 90-minute Cabinet meeting yesterday which warmly endorsed the peace initiative launched at the Commonwealth Conference by Mrs. Margaret Thatcher and Lord Carrington, the Foreign Secretary.

Ministers also approved an outline of the new draft constitution which will be laid before the London conference as the basis on which Zimbabwe Rhodesia could be granted legal independence.

Details of these proposals—involving changes in the white minorities' legislative blocking powers and control of the public services and armed forces—will be sent later this month to the political leaders who will attend the conference.

Invitations are being sent only to those directly involved in the dispute — Bishop Abel Muzorewa the Zimbabwe Rhodesia Prime Minister, the Rev. Ndabaningi Sithole, opposition leaders in Salisbury, and Mr. Joshua Nkomo and Mr. Robert Mugabe, the Patriotic Front leaders.

Bishop Muzorewa will be free to choose the members of his delegation and there was some speculation yesterday as to whether he would include Mr. Ian Smith, the former Rhodesian Prime Minister who declared the country's unilateral independence in 1965.

It was made clear in Whitehall that there was no intention of declaring any member of the main parties *persona non grata* and that Mr. Smith would be given immunity from any legal actions if he were to attend.

Mr. Derek Day, the senior Foreign Office official who has been the Government's link-man in Salisbury, is to return to Rhodesia today.

Officials have also begun urgent work on the details of the revised constitution and other preparations for the conference.

Ministers were said to have given enthusiastic support to the step-by-step strategy evolved by Mrs. Thatcher and Lord Carrington, who both reported to their colleagues yesterday on the events at Lusaka.

But the Cabinet meeting, from which seven Ministers, most of them on holiday abroad, were absent, was reported to have been less than euphoric about the prospects of a successful settlement to the dispute.

BID TO PERSUADE GUERRILLAS

HEADS OF the African frontline states are planning to meet Rhodesian guerrilla leaders in the Tanzanian capital of Dar es Salaam next week to try to ensure their attendance at the London conference.

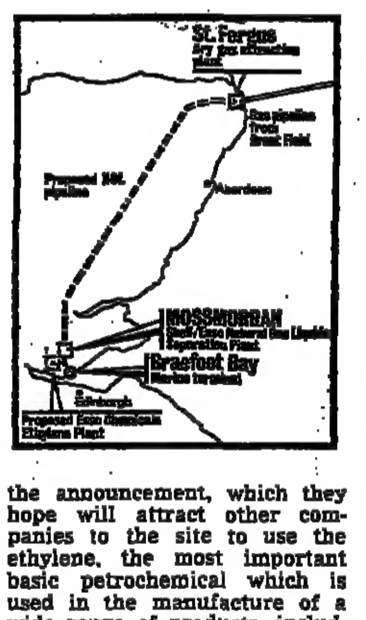
In Cairo Mr. Joshua Nkomo demanded the dismantling of the "effective white domination" of the Zimbabwe Rhodesia — and a severe restriction of Britain's role — before his army would lay down arms and take part in fresh elections. Page 2

Shell and Esso to build £500m Scots gas plant

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE GOVERNMENT yesterday gave Shell and Esso permission to build a £500m separation plant and ethane cracker for gases from the Brent field, rejecting the argument of protesters that the project posed an unacceptably high risk of a major explosion.

Shell Expro, which is acting for the two companies on the natural gas liquids separation plant, said it would apply for permission to begin site work immediately at Mossmorran, Fife, and hoped to have the plant in operation by the end of 1982.



Esso Chemicals is to make an announcement today, but is understood to have decided to go ahead with the cracker—which will have the capacity to produce 600,000 tonnes of ethylene a year—provided it receives the normal development grants.

Up to 1,400 men will be employed in the construction, and there will be 370 permanent jobs from the plants planned so far. Mossmorran, a former mining area, has 19 per cent unemployment.

Local authorities welcomed the announcement, which they hope will attract other companies to the site to use the ethylene, the most important basic petrochemical which is used in the manufacture of a wide range of products, including plastics, detergents, and paints. About 430 acres have been set aside for downstream industry, and are included in the planning consent.

But protesters from towns near the planned marine terminal at Braefoot Bay on the Firth of Forth were deeply disappointed by the decision and said the Government was gambling with lives by approving the plan.

Their objections forced the Scottish Office to delay its decision by more than a year after the planning inquiry while the possibility of radio transmissions igniting gases and other hazards were investigated.

The final permission has 48 safety and environmental conditions, including the removal of a broadcasting mast from near the site. The developers will also have to carry out a hazard audit supervised by the Health and Safety Executive before the plant can be commissioned.

Yesterday's announcement by Mr. George Younger, the Scottish Secretary, has economic implications nationally as well as locally, since any further delay could have seriously disrupted the plan to make full use of Brent gas.

Natural gas (methane) will be extracted at St. Fergus, near Peterhead, the pipeline landfall, and pumped into the British Gas Corporation's national grid, where it will account for up to 15 per cent

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Record month for home loans

BY MICHAEL CASSELL

BUILDING SOCIETY mortgage advances reached their highest ever point last month, although the conviction is growing within the movement that the postponed mortgage rate increase will have to take effect in January.

Figures published yesterday by the Building Societies Association show that the societies lent £846m to home buyers in July, exceeding the previous £800m monthly record reached in March, 1978. They also made mortgage commitments of another £794m, one of the highest monthly totals achieved.

Net receipts last month rose to £229m against £125m in June. But although this represents an encouraging improvement on the very poor June figure, it remains well below the £350m to £400m a month figure the societies say they need to sustain current lending levels.

Evidence suggests that the July improvement has carried forward into the early part of August, the first month in which higher interest rates for building society savers have operated.

The pattern implies that the societies are still having to draw fairly heavily on liquid funds to maintain their lending programme. The present expectation is that receipts will fail to reach the level the societies want.

There is a growing feeling within the movement that the ¾ per cent increase in the mortgage rate, decided on last month but put off until January 1 next year, will have to take place.

The societies can clearly wait up to another three months before having to take any decision on whether to alter their July recommendation or to let it stand. But some already believe that the record mortgage rate will become effective.

The feeling is that Minimum Lending Rate would have to fall by at least 2 per cent from its current 14 per cent level, bringing other competitive rates down with it, before there was any chance of altering the decision on the home loan rate. In addition the fall in MLR would have to be implemented in sufficient time for the societies to see by the start of November the impact on their own operations.

The societies are aware that, provided there is clear evidence

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No lending squeeze Page 3

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For latest Share Index 'phone 01-246 8026

£1bn gilt stock on offer next week

By Peter Riddell, Economics Correspondent

A NEW £1bn gilt-edged stock is to be offered for sale by the Bank of England next week. This follows the sell-out last Wednesday of the recent £1.5bn issue.

The new short-dated stock—11½ per cent Exchequer 1984—is being issued both to help cover the Government's large borrowing needs over the next two months and to contribute to the refinancing of large existing loans which mature this year.

The offer is by tender, like other recent issues. Only £30 per £100 has to be submitted with tenders, with the balance due on September 14

The minimum tender price is £97.25 per cent where the flat yield is 11.57 per cent and the gross redemption yield is 12.06 per cent. This is broadly in line with returns on similarly dated existing issues.

The announcement of the issue surprised the stock market in view of the scale of recent gilt sales and the shortage of liquidity in the system, especially as £480m of special deposits have to be returned to the Bank on Monday.

Analysts were also puzzled by the timing since tenders have to be submitted on Wednesday. This is also the make-up day for the mid-August banking statistics and for the purposes of the corset controls on the banks. Any significant demand for the new stock will only intensify these money market pressures.

The authorities clearly want to maintain the momentum of the funding programme, but they presumably would not be displeased if the stock was only partly sold next week and was operated as a tap for some time.

Sterling yesterday continued its recovery from the low levels of earlier this week. Its trade-weighted index rose by 0.4 points to 71.5 for a two-day rise of 1¼ per cent, but last night's level was still 3¼ per cent less than a fortnight ago.

The pound closed 1.2 cents higher against the dollar at $2.2475 after touching a high of $2.2585.

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£ in New York

—	Aug. 10	Previous
Spot	$2.2470-2480	$2.2580-2590
1 month	0.54-0.50 dis	0.65-0.60 dis
3 months	1.74-1.70 dis	1.76-1.71 dis
12 months	5.07-4.97 dis	5.20-5.05 dis

ITV network blacked out for weekend

BY GARETH GRIFFITHS, LABOUR STAFF

THE independent television network was blacked out last night and is unlikely to return until Wednesday at the earliest after a decision by the Association of Cinematograph, Television and Allied Technicians to call its members out on a national strike.

Management and unions are to meet for joint talks with the Advisory, Conciliation and Arbitration Service at 12 noon on Tuesday. ACAS had called off further talks on Thursday because the two sides were so far apart.

The Independent Television Companies Association and the three unions involved — the Electrical and Plumbing Trades Union, the National Association of Theatrical, Television and Kine Employees and ACTT—will meet Mr. Andy Kerr, the ACAS chief conciliation officer. ACAS officials, however, view the meeting cautiously.

The dispute worsened yesterday lunchtime when the television companies warned the three unions that there would be an indefinite lock-out unless normal working was resumed by Wednesday.

The companies tried to broadcast a substitute ATV programme to fill the gap in the schedules left by the Independent Television News lunchtime bulletin. ITN has been off the air since Tuesday night.

But technicians at Scottish TV, Westward, Channel, Southern and ATV refused to handle the programme and these stations stopped transmission.

Grampian and Yorkshire had already gone off the air because of the overtime ban by technicians. Thames, HTV and Ulster have been blacked out since Tuesday.

The ACTT said the strike had been called with great reluctance. It blamed the "unfortunate attitude" of the ITV managements, and said that it was no longer tenable to have local members and officials suspended by the companies.

The union added: "We continue to hold ourselves available for constructive negotiations or discussions at any level in an endeavour to reach a mutually acceptable settlement."

The National Union of Journalists has now joined the dispute at Southern Television. About 30 journalists have been suspended by the company for refusing to work because there were no electricians at the studios.

Mr. Ron Carrington, labour relations adviser to the companies, said last night that there were no plans for managements to put out a makeshift schedule of previously recorded programmes

News Analysis Page 8

Customs men end work-to-rule early

BY GARETH GRIFFITHS, LABOUR STAFF

THE week-long work-to-rule by Customs staff protesting at planned staff cuts was called off yesterday.

The Treasury last night, however, denied union claims that Sir Geoffrey Howe, Chancellor of the Exchequer, had made *any decision on the size of staff* cuts to be implemented at the Customs and Excise Department.

Sir Geoffrey said he regretted that the meeting with the Customs and Excise staff side on Wednesday had been misrepresented.

At the meeting he had indicated the options he thought appropriate. These would be the subject of discussions with Ministerial colleagues in the autumn. No decisions had been taken on Wednesday, nor were any commitments entered into.

Miss Judy McNight, a national officer of the Society of Civil and Public Servants, said the work-to-rule, planned to last for another week, had been lifted because of the Government's significant move in reducing the cuts.

The unions said after their meeting with Sir Geoffrey that staff cuts were to be reduced to 1,400, to be achieved by April, 1982. This figure is considerably lower than any of the 10, 15 or 20 per cent staff cut options at present being considered.

Both the SCPS and the Civil and Public Services Association saw the Customs and Excise Board yesterday to discuss the present 3 per cent staff reduction being implemented. This has meant a loss of 1,800 jobs.

OVERSEAS NEWS

'Moderate growth' for Japan

BY RICHARD C. HANSON IN TOKYO

JAPAN HAS fully recovered from the dramatic changes spurred by the last oil crisis and is well on its way toward a new period of moderate growth centering on private demand at home. This is the conclusion of the Economic Planning Agency's 1979 White Paper on the economy.

Inflation caused by sudden increases in the price of oil in recent months, however, is forcing the Government to walk a very narrow path to avoid excessive anti-inflation measures which could deflate the economy.

Emphasising this point, Bank of Japan announced yesterday that wholesale prices in July rose at the fastest rate for five and a half years.

The wholesale price index rose 1.9 per cent in July from June as the economy took the brunt of the latest OPEC oil price rise. This was the largest increase monthly climb since prices jumped 3.9 per cent in February 1974, when the nation was gripped by the panic of quadrupled oil prices.

July marks the ninth month in a row of increasing wholesale prices. The index was up 8.3 per cent compared with July 1978.

The central bank and the EPA expect that prices in August will show a similar pace of increase.

The EPA report said that fiscal 1978, which ended in March, featured domestic demand-led growth, sufficient increases in private demand particularly in equipment investment, stable prices, a move toward balanced international payments and improved employment. There were the favourable signs of a return to balanced economy for the first time in several years.

The White Paper was congratulatory of the Government's efforts to manage the economy over the past two years. Fiscal 1977-78 saw an expansion of public works spending at the cost of a large increase in public debt which expanded domestic private demand.

Individual companies made efforts to reduce excess weight and rationalise operations, benefiting from government policies of lowering interest rates.

The EPA said the so-called J-Curve effect of the yen's sharp appreciation through most of fiscal 1978 had finally taken effect. The current account surplus declined to the point where the overall balance of payments actually fell in deficit for the year.

For the foreseeable future, Japanese industry will not lose its competitiveness in export markets because of its efficiency and quality of products.

The latest EPA survey on private spending plans shows a strong 20 per cent increase for this year. But EPA officials caution that business might turn more bearish by autumn if prices continue to threaten the recovery in the economy as a whole.

The EPA appears to be relying heavily over the next few critical months on the adaptability and flexibility of Japanese business.

Canadian A-deal off

TOKYO — Japan's Atomic Energy Commission decided yesterday not to buy Canadian-built Candu nuclear reactors, but the decision was immediately criticised by Mr. Masumi Esaki, the Trade Minister.

The Commission said Japan should develop its own Advanced Thermal Reactor (ATR) instead of buying the Canadian design. Under Japanese law, the Commission's decision must be accepted by the government.

Canada had hoped to sell at least four reactors, valued at more than $500m each.

Mr. Esaki, leaving for a visit to Mexico and Brazil, called the decision "truly regrettable."

As the country's chief oil buyer, Mr. Esaki had hoped that buying Candu reactors would help Japan negotiate a favourable deal to extract oil from the tar sands of western Canada. Reuter

Our Ottawa Correspondent adds: Atomic Energy of Canada Ltd. (AECL) spokesman said yesterday's announcement in Tokyo was "confused" and he did not hope the deal might still go through.

Pressure on Nkomo, Mugabe

BY MICHAEL HOLMAN IN LUSAKA

HEADS OF African front line states are reported to be planning to meet Rhodesian guerrillas in the Tanzanian capital of Dar es Salaam next week as part of efforts to ensure their attendance at the constitutional conference on Rhodesia.

The meeting would have three main purposes. The first is to brief the co-leaders of the Rhodesian guerrilla alliance, the Patriotic Front — Mr. Joshua Nkomo and Mr. Robert Mugabe — on the new peace initiative based on the framework agreed at the Commonwealth conference which ended here on Tuesday.

The conference communique said that heads of government were "wholly committed" to genuine black majority rule for the people of Zimbabwe," rejected the internal agreement reached last year.

The second concern is that the PF does not jeopardise the proposed London all-party conference by setting out preconditions to their attendance.

Mr. Mugabe has repeated the PF demand that the Rhodesian army be dismantled and replaced by guerrillas. Dr. Kaunda, who allows Zambia to be used as a base by Mr. Nkomo's forces, and Dr. Nyerere, who is close to Mr. Mugabe, are both determined that the PF should attend the conference.

At the same time, they expect Mrs. Thatcher to deliver Bishop Abel Muzorewa, the Rhodesian Prime Minister.

Finally, the Presidents are expected to stress the urgency of efforts to resolve the Rhodesia problem.

Paul Martin reports from Cairo: Mr. Nkomo, who is making a four-day visit to Cairo, said yesterday that the call for an all-party conference must be confined to genuine parties to the conflict and that the regime of Bishop Muzorewa did not qualify.

"The Muzorewa 'thing' had to be completely dismantled and the power structure, by which whites controlled the army, air force, police and civil service, had to be placed in black hands."

Mr. Nkomo made it clear that he wanted control of the country during the interim period leading to elections taken completely out of white hands. But he feared that Mrs. Thatcher's Government would "distort and twist" the Commonwealth plan to suit Britain's interests.

M. François Mitterrand

Mitterrand is accused of radio piracy

By Robert Mauthner in Paris

THE FRENCH Public Prosecutor's office has begun legal proceedings against M. Francois Mitterrand, the Socialist leader, and five other Socialist MPs in connection with pirate radio broadcasts in which they took part.

The broadcasts, the authorities say, were illegal because they contravened the law giving the state-controlled radio and television services a broadcasting monopoly.

One of the two broadcasts sent out by the Socialist Party's Radio Riposte station at the end of June caused a political uproar because of heavy-handed reprisals taken by the police, who used tear gas and broke down the doors of the party offices in a vain attempt to locate the illegal transmitter.

M. Mitterrand claims, however, that the state-controlled media do not give the opposition a fair share of broadcasting time. The Socialist pirate broadcasts were intended mainly as a protest against the Government's information policy rather than as support for demands for an abolition of the monopoly.

Sadat to head board for AOI

BY ALAN MACKIE IN CAIRO

PRESIDENT ANWAR SADAT has set up a board with himself as chairman to supervise the affairs of the Arab Organisation for Industrialisation. The $1.04bn Arab arms organisation, was disbanded last month by its three other partners Saudi Arabia, the United Arab Emirates and Qatar, because of Egypt's peace treaty with Israel.

Apart from Mr. Sadat, the board is to be made up of the Vice-President who will be vice chairman, the Prime Minister, and the Ministers of Defence, Foreign Affairs, Finance and Economic Co-operation. The chief of staff of the armed forces and the chairman of the organisation for industrialisation will also be members.

Since the organisation was disbanded, work on most of the projects which include a vehicle assembly plant, development of an anti-tank missile plant and a Westland Lynx helicopter and Rolls-Royce engine assembly plant, has continued. But a number of decisions on finance and future production have to be made soon.

Ihsan Hijazi reports from Beirut: Jordan and the Palestine Liberation organisation are undertaking mediation between Syria and Iraq in an effort to head off a crisis between the two countries over claims that Damascus had been in contact with Iraqi leaders who were executed this week for plotting against President Saddam Hussein.

The United Arab Emirates has also offered to use its good offices of the interests of inter-arab solidarity.

King Hussein of Jordan sent the chief of his royal Cabinet, Sharif Abdel Hamid Sharaf, to Baghdad earlier this week. Mr. Abdel Halim Khaddam, Syria's Foreign Minister, later visited Amman.

In the course of the mediation efforts, Syria is reported to have proposed the formation of a joint commission of inquiry with Iraq. President Hafez al-Assid is understood to have said he would be prepared to accept the finding of an impartial Arab commission if the joint commission was unacceptable to Baghdad.

A PLO team led by Mr. Yassir Arafat, the organisation's leader, is said to have been convinced after talks with President Assad that Syria harboured no ill intentions towards President Saddam Hussein.

Mr. Assad re-emphasised his eagerness to continue with the process of unification with Iraq which the two countries started last October.

AP adds from Beirut: The left-wing newspaper As Safir reported yesterday that the Syrian security authorities had arrested Hosni Aabu, leader of the Moslem Brotherhood, and his assistant, Zohair Zaqlouteh, on suspicion of involvement in the massacre of more than 50 army cadets at Aleppo in June.

Khartoum rioters branded as subversives

By Alan Darby in Khartoum

A SENIOR Sudanese official has denounced as subversive student riots which have taken place in Khartoum during the past few days.

Mr. Mahdi Mustafa el Hadi Commissioner for Khartoum province, said agents provocateurs had infiltrated the demonstrations. It was these elements, he said, which had been responsible for the stoning of pedestrians and cars, the barricading of streets and attacks on schools.

Students arrested along with the "subversive elements" had now been released, the Commissioner said.

The unrest appears to have been limited to certain parts of north Khartoum and Omdurman across the Nile from the capital. Life in Khartoum has been unaffected by the disturbances. For many foreign residents, the Commissioner's statement was the first indication that there had been trouble.

The "subversive elements" referred to by the Commissioner are believed to be mainly members of Sudan's underground Communist Party which, it is thought, has recently been exploiting the country's economic difficulties. There have been a number of arrests of Communists and sympathisers, apart from those detained during the demonstrations.

Unrest has been caused by rising prices, shortages of domestic consumer goods, including food, electricity cuts and long petrol queues. The petrol shortages have now eased.

The hardships largely result from the Government's attempts to put Sudan's economy in order. These attempts, part of a policy agreed with the International Monetary Fund, have led to politically sensitive decisions, such as the removal of a subsidy on wheat and rises in the official price of sugar.

The Sudanese pound was devalued last year, at the insistence of the IMF, and the short-term effect has been inflationary. The

Sudan has been badly hit by this year's oil price rise but the country's large arrears on external payments have accumulated largely as a result of over-spending on development. The Government last year acknowledged that its development plans had been over-ambitious.

The country has considerable long-term potential as an agricultural producer but the problem facing President Jaafar Nimairi is how to get across that the belt-tightening of today is intended to produce a better tomorrow.

Earlier this week the President catalogued many of the root causes of Sudan's present difficulties. The 30-point declaration came in the form of a sweeping condemnation of the leadership of Sudan's sole legal political organisation, the Sudanese Socialist Union.

Vice-President Abul Gasim Mohamed Ibrahim, the army officer who helped President Nimairi into power, is Secretary-General of the party, but is said to have been absent from the meeting at which the President made his critical speech. The President took pains to blame the party leadership rather than the rank and file.

Iran's military shaken by more leadership changes

BY ANDREW WHITLEY IN TEHRAN

IRAN'S BADLY shocked military command was shaken further yesterday by the resignation of Brigadier General Asghar Imanian, done air force commander and the dismissal and transfer of Colonel Arbar, the deputy ground forces commander.

The post of Deputy Defence Minister, vacant since the February revolution, has been filled by retired Major General Ezzatulah Noural, reported to have been a friend of the Shah at one time.

Confirming the changes, General Taqi Riahi, the Defence Minister, said they were unconnected with the recent dismissal of General Seif Amir Rahimi, the flamboyant military police chief, and the resignation of General Nasser Farbod, the chief of staff.

Gen. Imanian's resignation means that the Islamic Republic is looking for its third air force commander in six months. Last night it was thought that further changes might be in the offing, as the new chief of staff, General Shoraka, appointed last month, consolidates his position.

Gen. Riahi denied that the somewhat acrimonious debate believed to be going on in the armed forces over the proposed sale-back of the American-made F-14 aircraft was linked to the departure of Gen. Imanian.

Negotiations are currently being held in Tehran with the U.S. over the resale of Iran's 78 F-14 planes and their highly sophisticated Phoenix missile system. Dr. Ibrahim Yazdi, the Foreign Minister, has confirmed that Iran is willing to sell the aircraft either to the U.S. or "any other country," on the grounds that they are too expensive to maintain and would require large numbers of American technicians on Iranian soil.

The Government's policy on the F-14 is believed to be backed by Gen. Riahi but to have encountered considerable opposition within the armed forces.

Meanwhile Iran's elected Constituent Assembly which was due to meet today to consider the republic's draft constitution has been postponed for about 10 days. No official explanation was given.

In the capital, public attention is switching away from the row over alleged irregularities in elections to the 73-man assembly to the question of Press freedom. A number of people were injured yesterday and on Thursday night in clashes between newspaper workers and left-wingers, on one side, and right-wing vigilantes and Khomeini revolutionary guards, on the other.

Further violence is likely tomorrow when a big march to the Prime Minister's office in support of Press freedom is planned.

Mystery over Indian review of £1bn British Aerospace order

BY OUR NEW DELHI CORRESPONDENT

A MYSTERY surrounds the real intentions of the new Charan Singh Government regarding British Aerospace's £1bn sale of Jaguar strike aircraft to India.

Mr. C. Subramaniam, the Defence Minister was reported yesterday to have said there was no truth in reports that an inquiry into the deal had been ordered.

But senior officials in the Defence Department and on the Minister's private staff could not confirm that he made such a statement.

A senior figure in the party which dominates the new ruling coalition, Mr. Raj Narain, insisted again on Thursday that there will be some sort of review. He was in possession of the "full facts" about the deal, he said darkly. In the past he has implied that undue influence was brought to bear before the Jaguar deal was finally concluded.

Although it looks difficult for the new government to halt the contract at this point, Mr. Narain's formidable reputation as the man who brought down both Mrs. Gandhi and Mr. Desai has clearly left officials and diplomats wary of his influence. He is one Mr. Charan Singh's closest confidants.

Any change that does occur might be costly for India as well as controversial, because the Government has already paid a large advance to British Aerospace. The contract also carries penalty clauses which might deter a genuine review. Two Jaguars, one of them a trainer, have already been delivered.

The actual decision to go for the Jaguar appears least at risk of the three aircraft contending for the original deal, the Swedish Viggen had American components and was ruled out by the U.S. under its arms control policy. The Mirage F-1 looked an unlikely choice because neighbouring Pakistan also flies Mirages and is itself interested in the F-1.

The deal appears to be the victim of the continuing political crisis in Delhi, stirring up the backwash of manoeuvrings ahead of the new government's parliamentary vote of confidence due within two weeks. Mr. Jagjivan Ram, now leader of the Opposition, was Defence Minister when the Jaguar contract was concluded, and Mr. Narain may simply be issuing his indirect warning in advance.

Michael Donne, Aerospace Correspondent, adds: From London: British Aerospace while not commenting officially on the reports from India, takes the view that a review of the contract is no more than any incoming government would be expected to do. The company remains confident that the contract will be continued. Indian Air Force pilots and ground technicians are already training with the RAF at Lossiemouth, Scotland.

● India yesterday carried out a first launching of a four-stage solid-fuel rocket, described as a satellite launch vehicle, from an island site north of Madras. A failure in the second stage prevented the rocket reaching the height and speed needed to put a small payload into orbit.

West to hold energy talks

BY DAVID BUCHAN IN WASHINGTON

ENERGY MINISTERS of the seven major Western industrialised countries are expected to meet next month, probably in Tokyo, to follow-up moves on their commitment to reduce oil imports, made at their June summit in the Japanese capital.

U.S. officials said yesterday that the meeting was proposed some time ago by France, but has hung fire because of changes in the Carter administration. Mr. Charles Duncan, already confirmed by the Senate as Energy Secretary, is due to take over from Mr. James Schlesinger by the end of August and will attend the Tokyo meeting.

The U.S., which has set a ceiling on 8.2m barrels a day for its oil imports this year, will be looking to Britain, France, West Germany and Italy, the four European countries taking part in the Tokyo meeting, to set themselves similarly exact targets. Japan and Canada have been permitted some increases in imports, Japan because it has virtually no domestic energy resources, and Canada because its domestic oil production is waning.

David Lascelles reports from New York: U.S. heating oil stocks, the latest source of concern in Washington, may be adequate for the winter but they are in the wrong place, the National Oil Jobbers Council reported yesterday.

In its first detailed survey of heating oil stocks including those at the secondary, or dealer and household level, the council says these already total the 240m barrels set by the Administration as a target for October.

However, 170m of these are still at the primary, or refinery level and only 70m at the secondary level.

Carter names his campaign manager

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT CARTER yesterday named Mr. Tim Kraft, one of his assistants, to manage his campaign for re-election next year. It came as further proof, if such were needed, that Mr. Carter, while not yet officially announcing his candidacy, is running hard already.

The Kraft appointment was the most significant of a number of White House changes, which Mr. Hamilton Jordan, the President's chief of staff, told reporters would enable "the senior staff to act more as a group."

Mr. Carter had promised to reshuffle his staff in addition to the Cabinet changes made last month. The only White House change that had been announced before yesterday was the appointment of Mr. Hedley Donovan, former editor in chief of Time Inc., as a special adviser.

A Democratic Congressman who has just returned from South-East Asia said yesterday that U.S. policy might have increased the flow of refugees from Vietnam—indirectly, by denying that country aid and trade, and directly, by stationing ships of the U.S. Seventh Fleet off its shores.

Representative George Miller said after a tour of refugee camps and a visit to Hanoi "The Seventh Fleet encouraged people to run. They figure that if they can make it to the Seventh Fleet, they are in America."

Grenada 'will not export coups,' Premier says

BY RAYMOND WHITAKER

MR. MAURICE BISHOP, Prime Minister of Grenada, yesterday assured other island states in the eastern Caribbean that his Left-wing Government would not promote coups elsewhere similar to the one that brought it to power last March.

Fears that Grenada would be a source for instability in the region have been widespread since Grenada obtained military assistance from Cuba shortly after Mr. Bishop's New Jewel Movement took power. Other states in the Caribbean have been discussing the formation of a regional security force by the Caribbean Community and Common Market (CARICOM).

But Mr. Bishop told a Press conference in London yesterday: "We will not assist in any way to topple any government."

He argued that Grenada had needed security assistance after the coup to prevent attempts by Sir Eric Gairy, the former Prime Minister, to regain power.

Mr. Bishop claimed that Sir Eric was still trying to recruit a mercenary force of Cuban exiles to invade Grenada.

AP reports from Washington: The State Department is sending a senior diplomat to the Caribbean where it believes potentially explosive situations may be developing. Philip Habib will visit St. Lucia, Antigua, Trinidad, Guyana, Jamaica and Barbados.

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NIGERIA'S PRESIDENTIAL ELECTIONS

Task of reconciliation faces new man at top

BY MARK WEBSTER IN LAGOS

TODAY'S crucial vote for an executive President of Nigeria will be the most significant of the five ballots to elect a civilian administration which will take over from the military government on October 1. For although the new President will have considerable powers, he will face an immense task in trying to solve the many problems Nigeria is facing.

One of the new President's top priorities is bound to be the economy. All the five candidates have promised to find ways of spreading Nigeria's oil wealth more equitably between the country's estimated population of 80m to 100m. A general wage freeze for the past two years and a persistently high rate of inflation have eaten into real incomes and there is growing pressure for a big pay rise.

The new President will also have to harmonise the often chaotic development policies of the past few years. Although oil income has allowed Nigeria to expand faster than any other Black African country, there is still a long way to go in developing infrastructure, industry, social services, education and agriculture.

What shape that development will take also hinges on Nigeria's oil policy. Oil accounts for 90 per cent of export earnings, 80 per cent of federal government revenues and 30 per cent of gross domestic product.

On the political front, Nigeria will have to decide its attitude towards the new Zimbabwe Rhodesia initiative. Traditionally one of the hard-line African states on the question of apartheid, the foreign policy of Nigeria will be closely watched by the rest of Africa and the West to see which way it turns. The same is true of the other foreign policy stands which Nigeria has taken in Africa over Chad and the western Sahara.

But the new President's biggest worries will be on the domestic political front. His first task will be to reconcile those parties which did not win to a policy of stability and continuing dialogue.

His task is made extremely difficult by the fact that the three most important political parties represent the three main ethnic groups within the country—North, West and East.

If today's election follows the pattern of the last four, which is almost certain, then the presidential candidates can expect overwhelming support from their own bases and little or none from the other ethnic strongholds.

Only the National Party of Nigeria (NPN) has so far shown any signs of breaking out of the regional cage. By forming an alliance between the North and the various minority tribes around the country, the National Party is certainly the only one which has any chance of winning on the first round.

In order to foster a national character for all the parties, the constitution insists that the President must not only have the largest number of votes but must also have more than 25 per cent of the vote in at least two thirds of the 19 states.

The National Party has secured up to 12 states in the previous elections and on one occasion achieved nearly enough in a thirteenth state—Kano in the north of the country. Because the party is so close to victory, there is a growing fear that rigging will be tried on an unprecedented scale. Already there have been allegations from all the parties that rigging has taken place.

If none of the parties reaches the required voting level on the first round, there will be a run-off decided by the electoral college which comprises the two federal Houses, the Senate and the House of Representatives together with the members of the state Houses of assembly.

At least one element of potential conflict has been removed thanks to an eleventh-hour tax clearance for one of the presidential candidates, Alhaji Aminu Kano, of the Peoples Redemption Party.

All the candidates required a tax clearance certificate for the past three years before they were eligible to stand. Alhaji Aminu had to take his case to court before he was cleared as did Dr. Nnamdi Azikwe, the presidential candidate of the Nigerian Peoples Party.

Every one of the men who aspire to the Presidency has held some sort of office in a previous government. Two of them—Dr. Azikwe and Chief Obafemi Awolowo—were the most influential men in their parties even before the military took control in 1966.

Others took cabinet posts in military governments. But all of them maintained a link with the political world throughout the 13 years of military rule.

Five politicians returning to the hustings

The candidates are:

Alhaji Shehu Shagari, National Party of Nigeria: Born 1924 in the northern state of Sokoto: he was a Cabinet Minister during the first republic and federal Commissioner of Finance under General Gowon. He was considered a compromise candidate to lead the National Party, and is now the man most likely to be the next President.

The National Party is considered the most conservative of the five parties partly because of its base in the North with that region's respect for traditional values and partly because of its links with big business.

It has successfully wooed the minority tribes around the country by promising moderation in all its policies. Although it has produced a Social Charter which would improve the lot of the worker, it has made no rash promises.

The National Party is in favour of an open economy, of encouraging western investment and maintaining good relations with the West. But Alhaji Shehu is adamant that a main plank of its foreign policy must be an aggressive line over Southern Africa.

Chief Obafemi Awolowo, Unity Party of Nigeria: Born in 1909 in the western State of Ogun, barrister, journalist and veteran politician, he was leader of the opposition in the first federal Parliament. Jailed for allegedly plotting to overthrow the Government in 1962. A strongman revered by his own Yoruba tribe but considered a divisive element elsewhere in the federation. he has said publicly that bloodshed would follow if the National Party were elected.

The Unity Party has made free education for all the main plank of its four-pronged policy. It has also promised a minimum wage of Naira 200 (£158) a month, free social services and medical care and a drive towards agricultural self-sufficiency.

Dr. Nnamdi Azikwe, Nigerian Peoples Party: Born 1904 in Niger State he is a veteran politician, journalist and author. He was the first President of the Federal Republic and is considered one of the founding fathers of modern Nigeria.

The Nigerian Peoples Party has called for better social services and equitable distribution of wealth. But it is essentially in favour of the status quo.

Alhaji Waziri Ibrahim, Great Nigeria Peoples' Party: Born 1926, he was Minister of Economic Development during the first republic. Now a wealthy businessman. His party broke away from the Nigerian Peoples Party and he has advocated an open economy but greater equality in the distribution of wealth. He has no chance of becoming President but he might take a Cabinet seat in return for his backing the President.

Alhaji Aminu Kano, Peoples Redemption Party: Born 1920 in Kano, former Federal Commissioner for Health under General Gowon.

UK NEWS

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Japanese may start making Prestel TVs

BY JOHN LLOYD

THE JAPANESE TV-manufacturing companies National Panasonic (Matsushita) and Sony are "watching closely" the market for Prestel viewdata sets. They may shortly decide to begin manufacturing them in their Welsh plants.

The UK set manufacturers have had the market to themselves for the past six months. The Post Office, which is developing Prestel, agreed not to allow overseas manufacturers to attach their sets to the Prestel system. That agreement ends next month.

The UK suppliers have disappointed the Post Office, the rental companies and the Prestel information providers in their delay in beginning volume production of the sets. Last week, the Post Office postponed national launch of the system —it had already been postponed from March—until next April, because most of the set makers are still months away from volume output.

The Post Office said yesterday that it was still "actively considering" marketing adaptors which could be fitted to conventional TV sets to allow them to receive Prestel.

The British Radio Equipment Manufacturers Association said there had been a number of technical problems to overcome. All the producers were "determined not to go into the volume production of faulty sets."

BREMA believes—as does the Post Office—that mass production will begin early next year. About 100,000 sets should come out of UK factories by the end of 1980.

But the TV rental companies, who will be crucial in introducing the system to a broad market, are now crying out out for sets. Granada Rentals, one of the largest, said yesterday: "We could rent all the Prestel sets we could get. The business demand will be very high, that will bring the price down, then domestic demand will step up"

Granada's rentals will initially be pitched at around £250 a year for a 12-inch black and white set for business use, and about £350 a year for a 22-inch colour set for the home.

It is widely believed among the parties interested in the Prestel system, including the Post Office, that the entry of the Japanese into the market could galvanise it.

Sony has already begun test production of sets for the systems of Ceefax and Oracle, the ITV and BBC teletext systems. The company said yesterday that it was "looking very closely at the possibility of Prestel production."

National Panasonic said it was "always considering various markets. The Prestel market we believe to be a growing market, and we would hope to grow with it."

Plessey sells Diac to Avon Precision

BY JOHN LLOYD

PLESSEY has sold its mechanical engineering subsidiary, Diac, to the Bristol-based Avon Precision Group for a sum thought to be near £1m.

Diac, which is located in New Addington, Surrey, is a contract machining company specialising in the machining of numerically controlled machine tools.

The company has been taken over as a going concern by Avon Precision, and it is not expected that any of the 160 jobs in the company will be affected.

Plessey said last night that it believes that in the highly competitive mechanical engineering market the viability of Diac will benefit from operating within a compact group with similar market interests."

The company has divested itself of a number of businesses in an effort to concentrate its efforts on electronics and communications.

In June it sold its NC machine tool business to Allen Bradley, the U.S. group, while in the previous month, it sold the printer division of its U.S. subsidiary, Plessey Peripheral Systems, to the Dataproducts Corporation.

Housebuilding activity at year's peak in June

BY MICHAEL CASSELL

NEW housebuilding activity reached its highest point for a year in June, according to Government figures published yesterday.

The Department of the Environment said that builders made a start on 25,400 homes during the month compared with 20,000 in May. It was the highest monthly total since June, 1978, when starts reached nearly 31,000.

According to the Department, housing starts in the second quarter of 1979 showed a 9 per cent increase on the previous quarter but were 19 per cent down on the same period a year ago. Contractors started 15,900 private homes in June against 12,700 in May, while work began on 9,500 public sector homes compared with 7,200 in the previous month.

The number of homes completed in June reached 20,800, an increase of 1,200 on May but [illegible] below the level achieved [illegible] months earlier. In the April-June quarter, completions were 2 per cent on the preceding three months but 16 per cent lower than a year ago.

Builders completed 8,600 public sector homes, a marginal 200 increase on May, while 12,200 private homes were completed against 11,200 in the month before.

The Department also announced yesterday that 15,700 homes in England were converted or improved with the help of grants during the second quarter, an increase of 1,600 over the first three months of the year. Between April and the end of June, 7,000 homes were demolished or closed as a result of slum clearance, compared with 10,200 in the first three months of 1979.

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Wine sales increase 16%

WINE SALES increased by almost 16 per cent in the first quarter of 1979 according to figures from the Wine and Spirit Association.

Sales were particularly buoyant in March when spending in anticipation of the original Budget date led to a 31.5 per cent increase.

Lloyd's Gulf-risk decision denounced in Kuwait

BY JAMES BARTHOLOMEW

A DECISION by Lloyd's of London insurance underwriters to charge an additional premium for war risk insurance in the Gulf was denounced in the strongest terms by Abdel-Aziz Sakr, chairman of Kuwait's Chamber of Commerce and Industry, yesterday.

Mr. Sakr called the additional premium "part of Western political and economic psychological warfare against the Gulf region." He urged the countries in the area to take "effective and firm measures to face such trends which aim at shaking the region's stability and undermining its economic development."

Mr. Sakr said he had called a meeting of chamber of commerce chiefs to consider the situation.

Lloyd's replied yesterday that Mr. Sakr had vastly overreacted to the additional premium. The change was motivated entirely by prudence, not politics. The underwriters were particularly quick to put on the premium because war risk rates had fallen to a very low point, said Lloyd's yesterday.

The Institute of Underwriters denied that politics formed part of Lloyd's decision. The institute also emphasised that the Gulf had not been declared a "war zone." This was not an insurance term. The Gulf had become one of the "additional premium areas" for war risk insurance. And this only applied to hulls, not as yet to cargoes.

Other additional premium areas are Angola, Cambodia, Cyprus, Egypt (including the Suez Canal), the Gulf of Aqaba, Israel/Jordan, the Lebanon and Syria.

The Gulf was added to this list after a U.S. State Department warning of possible tanker hijacking in the Strait of Hormuz. Some brokers have advised clients to alter their policies to insure against seizure.

No sign of significant lending squeeze

By Michael Lafferty, Banking Correspondent

THE CURRENT Credit squeeze has not yet resulted in any significant restrictions in bank lending to personal customers.

So far only one of the clearers, Midland Bank, has sent formal lending guidelines to branch managers. They have been instructed to restrain any further growth in lending to personal customers.

The clearing banks are concerned that personal customers should not be deterred from turning to their banks for loans. All the banks emphasise that customers need not fear demands from their managers to repay overdrafts without reasonable notice, though in some cases of unutilised overdraft facilities customers may be asked to scale down their limits.

Personal lending accounts for only 20 to 25 per cent of the big banks' lending, though personal depositors provide by far the most important source of the clearers' deposits; (at the end of 1976, for example, personal deposits with the parent clearing banks represented 69 per cent of the total).

For this reason the banks are extremely anxious not to incur unnecessary customer goodwill. Their job has been made easier by a noticeable tailing off in demand from the personal sector since the Budget.

However, certain areas of lending are likely to face cutbacks at all the banks. The most vulnerable to action, according to one of the banks, are loans for property, financial transactions, and bridging loans.

Major change

Mr. Maurice Denton, general manager of domestic banking at NatWest, adds that his group has stopped marketing large-term loans. This is the only major change in lending policy at NatWest, though branch managers have been reminded of the Government's guidelines on priority lending.

At Lloyds Bank, executives are keeping their fingers crossed that no action will be necessary to cut back on any lending arrangements already made. Managers last received guidelines in June 1978, and may receive new instructions at a series of autumn meetings.

An official commented: "We always try to look after the small man—even to the extent of giving him the benefit of the doubt."

Barclays said that its policy is always to cause as little hardship as possible, but at present it anticipated no special action to restrain personal sector lending.

Several banks commented that no new customer was being turned away who was a reasonable lending proposition "as far as head office knows."

Imported lorries gain ground

By Kenneth Gooding, Motor Industry Correspondent

COMMERCIAL VEHICLES importers are increasing their penetration of the UK market because the British-based manufacturers cannot keep pace with the buoyant demand.

Sales of new commercial vehicles last month at 19,422 were 11 per cent higher than in July 1978, according to Society of Motor Manufacturers and Traders statistics.

In the first seven months of 1979, new registrations were 19.4 per cent higher at 176,566.

In July, imports accounted for 18.4 per cent of all sales compared with 16.6 per cent in July 1978.

Import penetration for the seven months was up slightly from 21.2 to 22 per cent.

At the beginning of the year, the UK-based manufacturers were pushing back the rising tide of imports. But this gradually changed as sales continued to boom.

German gains

Over the seven months, UK producers have increased sales by 18.2 per cent from 116,492 to 137,709. But the importers managed a 23.87 per cent rise from 31,369 to 38,857.

The West Germans had particular success with imports. Registrations of Mercedes-Benz commercials jumped 54.7 per cent to 3,463; Volkswagen by 52.4 per cent to 7,157 and Magirus-Deutz by 59.2 per cent to 672.

Bedford, the General Motors' subsidiary, showed the greatest gains of the UK-based producers. Its sales rose 35.1 per cent to 33,087.

Registrations of UK-built Fords jumped from 43,094 to 50,023. Sales of the Spanish Fiesta van also showed a big increase, from 1,659 to 2,063.

BL's registrations rose from 36,805 to 39,996 with Leyland Vehicles accounting for 8,127 of the total against 7,965 last year.

Thomson rejects part contract offer for Yellow Pages

BY ELAINE WILLIAMS

THOMSON Yellow Pages, a subsidiary of the Thomson Organisation, has decided to turn down its part of the Post Office's Yellow Pages advertising contract.

Thomson's announced yesterday that the Post Office's new terms of a three-year contract, offering only two of the six areas into which Yellow Page advertising has been split, were unacceptable.

Mr. Robin Eyres, managing director of Thomson Yellow Pages, said that the Post Office's final specification differed from the original.

He said that Thomson's, employing 700, intended to act as the Post Office's exclusive advertising sales agency until the present contract expires at the end of next year.

The Post Office has ended the 14-year monopoly by Thomson of selling Yellow Page advertising. Two U.S. companies, General Telephone and Electronics and International Telephone and Telegraph have won substantial parts of the new contract, which will be handled by special subsidiaries.

General Telephone estimates that its contract alone will be worth £345m over the six-year period it runs, while ITT's nine-year agreement could be worth more.

Britannia wins £10m Cosmos holidays deal

BY LYNTON McLAIN

BRITANNIA AIRWAYS, part of Thomson Travel, has ordered two Boeing 737 airliners worth £11m and has won a £10m contract with Cosmos Air Holidays.

The order will give the airline, owned by the Thomson Organisation, a total of 25 Boeing 737s, the second largest fleet outside the U.S. after Lufthansa, the West German airline.

Britannia Airways' fleet of 19 Boeings will expand by four more aircraft—already ordered —by next spring; in time for the inaugural Cosmos holiday flights to the Mediterranean from the East Midlands, Cardiff, Newcastle and Glasgow, as part of the £10m contract.

Under the contract, Cosmos, part of the Swiss Globus company, will also use Britannia Airways' flights out of Manchester, Birmingham, Bristol and Edinburgh.

Mr. Derek Davison, the airline's managing director, said the Boeing 737 had played a significant role in Britannia's success. He expected the Boeing fleet to carry over 3m passengers this year and 4m by 1981.

The Cosmos contract is for one year, but the plan is for continued charter flights for three years. Second and third year contracts will be negotiated separately.

Britannia won a £7.8m three-year contract from the Ministry of Defence in May to carry troops to Germany on 15 Boeing 737 flights a week. The contract was placed because of a continuing shortage of RAF pilots.

Environment cuts may cost 1,000 jobs

BY LISA WOOD

MORE THAN 1,000 jobs could be axed in the Department of Environment if cuts of 10 per cent outlined in a consultative document are accepted by the Government.

The plan is one in a series of proposals detailing the effects of cuts in Civil Service manpower costs.

Two months ago, the Government began a review of Civil Service staff levels which could lead to a loss of 150,000 jobs over the next three years. It is examining cuts in staff costs of 10, 15, and 20 per cent.

No official target figure has been set, but union officials estimate that the three options would mean cuts of 75,000, 112,000, and 150,000 jobs respectively.

Among the jobs which could be threatened are 62 at the Building Research Establishment at Garston, Hertfordshire, which monitors and investigates building failures, and 222 at the Hydraulic Research Station, Wallingford, which advises on large engineering projects.

Mr. Robert Brodie, branch head of the Institution of Professional Civil Servants at Garston, said: "We are not alarmed yet but we would be if the cuts went above 10 per cent—it would then be questionable whether Garston (which employs about 850) would be viable."

According to the newspaper Building Design, which yesterday published details of the proposed cuts, 32 jobs would be lost at the Community Land Act office, 85 through streamlining of planning procedures, 50 from building controls, 52 from the Economic Planning Council, 85 from housing project control and 15 from the Information Directorate.

● A radical overhaul of staffing levels in the Department of Health and Social Security has been requested by the Government.

Mr. Patrick Jenkin, Social Services Secretary, has asked Sir Patrick Nairne, the Department's First Permanent Secretary, to prepare plans for immediate cuts in staff costs. He asked for "something a good deal more radical" than a trimming of Departmental work.

Mr. Jenkin outlined three areas of action: the elimination of Departmental functions wherever possible; a radical change in the Department's approach to the NHS, local authorities and other bodies: and a more careful watch on extra jobs which policy decisions may entail.

Potash mine set output target

By Kenneth Marston, Mining Editor

THE future of the loss-making Cleveland Potash mine in Yorkshire hinges on whether its 1,350 workforce can hit production targets by October.

The mine is owned by Imperial Chemical Industries and Charter Consolidated.

At yesterday's London meeting of Charter Mr. Murray Hofmeyer, the chairman, made the position clear in answer to a question from Sir Peter Vanneck, European MP for Cleveland. He said: "Cleveland Potash will stand or fall on the production targets. If they are not met, Cleveland Potash has no future."

Earlier, he pointed out that the mine had been unable to meet a monthly production rate of 41,000 tonnes of potash which was lower than the forecast for the middle of the year. Production in July amounted to only 37,000 tonnes. Production this month has also been disappointing.

Advantage

However, agreement has just been reached on wage increases which will be largely tied to the production targets set at the beginning of the year. "There is obviously advantage in allowing time to gauge the effect of this agreement and funds available will enable operations to continue until early October," said Mr. Hofmeyer.

The Cleveland Potash mine was begun in the late-1960s and about £120m has been invested in the venture. Charter's share of this would be about £30m.

Apart from labour problems associated with recruiting men from an area without mining traditions who are willing to work 3,800 feet down in hot and sometime gaseous conditions, the mine has had its share of technical problems.

£1.6m GLC boost for East End

By Elaine Williams

THE GREATER London Council has approved a £1.6m plan to improve London's East End.

The GLC hopes that work will begin before the end of the year. The scheme — which will improve the area around Tower Hamlets — will include £250,000 for acquiring sites for industry and factory improvements; £425,000 for repair and restoration work on a number of buildings and sites; £590,000 for road maintenance and improvement, and £335,000 to create open spaces.

Mr. Richard Brew, leader of the GLC policy and resources committee said yesterday: "The GLC is already ploughing millions of pounds into inner London in the obvious areas of need like housing and roads. But we are concerned at making improvements to the general environment which can make such a difference to the local scene and the quality of life for its people."

Union proposa London d

BY CHRISTIAN TYLER, LABOUR EDIT

DOCKERS' unions yesterday called for a financial restructuring of the Port of London Authority, industrial development of the PLA's surplus land under the authority's control, and re-equipment of the upper docks to attract short-haul trade.

The joint port trade unions' committee published a detailed reply to the PLA's five-year strategic plan, issued in June.

They accused the authority of taking too narrow a view of London's place in the port industry, of underestimating the commercial consequences of further decline in the East End community, and showing undue pessimism about future traffic levels.

Mr. Brian Nicholson, chairman of the committee and a member of the Transport and General Workers' Union national executive, said the authority had shown lack of energy and expertise in the past. It had produced five different plans for the upper docks in three years, demoralising dockers and local management alike in the process.

The unions, who have been working with management on a special 12-a-side committee for over a year, claim to have modified the PLA's initial ambition to close the upper docks entirely but they said the PLA was still giving over-riding priority to Tilbury and the "Thames corridor" downstream.

Their report, called The future of the Port of London, says that an "astonishing tale of confusion and change" has seriously demoralised the workforce and frightened off ship owners. "Indeed, it is hard to believe that the PLA has not encouraged this confusion in order to destabilise its East Lond force.

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The surpl put in the h trial Developme the lines sugge Cousins committee ago, to include the PL employers, the local authori and the unions.

The unions also want a comprehensive market research programme to identify new business and facilities—for instance, container-carrying barges to carry goods upriver.

Vacancy

At the same time they are pressing for a greater union presence on the PLA Board. One of the two seats reserved for the unions has been vacant for a year.

● The authority, which made a £17.6m loss before State aid last year, yesterday announced a half-year loss of £6.5m up to the middle of June. The authority said it expected the loss on continuing operations by December to be higher than in the first six months.

The latest loss is £2.2m worse than in the corresponding period last year and comes in spite of an improved gross revenue of £40.2m, compared with £35.4m for the first half last year.

The announcement of the loss came two weeks after the Government agreed to continue Labour's policy of aid for the port.

Hunterston dispute talks break down

BY RAY PERMAN, SCOTTISH CORRESPONDENT

TALKS TO end an inter-union dispute over British Steel's £100m Hunterston ore terminal broke down yesterday with the transport workers union still claiming all the 60 new jobs for registered dock workers.

The dispute is costing British Steel £1.6m a month in interest charges and lost savings.

Dockers, who are members of the Transport and General Workers Union, have clashed with the main steel industry union, the Iron and Steel Trades Confederation, over who should man the new loading equipment installed at the terminal. They have prevented ships from calling there until the dispute is settled.

The Steel Corporation wants some of the jobs to go to redundant steel workers.

Mr. Alex Kitson, executive officer of the TGWU said he would be meeting the Clyde Port Authority, which is responsible for the operation of Hunterston, next week.

"This is a new port and we should have been consulted about how it should work. It should not have been a question of transferring the old work practices," he said.

Mr. Bill Sirs, general secretary of the ISTC, said the failure of the talks was a tragedy for the whole of the steel industry.

● British Steel still plans to wind-down production at Shotton, North Wales. A joint statement after management-union talks last night made it clear the relative positions of the two sides remained unchanged.

Union to fight split in PO

By John Lloyd

THE UNION of Post Office Workers has launched a campaign to defend the Post Office's letter monopoly, and to oppose the proposed split of the corporation into separate postal and telecommunications' companies.

In a special issue of the union's newspaper, "The Post," Mr. Tom Jackson, general secretary, says that "if the monopoly is abandoned it will mean the death knell of the postal service as we know it today."

Perkins men laid off

Financial Times Reporter

PERKINS DEISEL at Peterborough laid off their production force of 7,000 men last night because of a week-long strike by 400 engine testers who are demanding a pay deal before accepting new technology.

The lay-offs brought an angry reaction from the Amalgamated Union of Engineering Workers which said: "The men are completely bewildered by the company's action. We feel it was completely unnecessary to send the men home because alternative work could have been found for them.

Chataway heads ski resort company

FORMER Tory Minister Mr. Christopher Chataway is to be chairman of a company running a ski resort in Southern France.

Mr. Chataway, Minister for Industrial Development in the last Conservative administration, and now managing director of the Orion Bank consortium, is taking up the non-executive post because the bank acted as financial adviser to the Lebanese company which bought the resort, Isola 2000, from the Bernard Sunley Investment Trust.

Société Internationale pour l'Amenagement et las Development Foncier, a Lebanese real estate company, acquired a controlling interest in the resort last week and has now announced a new Board.

As well as working for Orion, he has a non-executive directorship with British Electric Traction and is non-executive chairman of British Telecommunications Systems.

● NEWS ANALYSIS—THE ITV DISPUTE

Why the companies are taking a tough line

BY GARETH GRIFFITHS AND ARTHUR SANDLES

THE DISPUTE at Independent Television, which has caused the most widespread blackout of screens for 15 years, is now being viewed in the television industry as a trial of strength between the companies and the unions, that goes deeper than tomorrow's wage packet.

This is the first dispute to involve the electricians, studio staff and technicians at the same time. The strike in July, 1964, and a three-week national strike in August, 1968, involved only the technicians of the Association of Cinematograph, Television and Allied Technicians. Last time company managements were able to put out a makeshift service, but by last night there were still no plans to do so on this occasion.

The 15 companies are not worried about the possible income loss and advertising. Agencies suggest the companies' present loss of advertising revenue may not be permanent.

What they and the Independent Television Companies Association are concerned to do is to eliminate some of the anomalies arising from pay settlements reached during pay policies of the past few years.

The dispute began on July 18 when the unions rejected an initial 9 per cent offer. The Electrical and Plumbing Trades Union and the National Association of Theatrical, Television and Kine Employees with a total membership in ITV of 9,000 have negotiated together.

The ACTT, with about 6,000 members in ITV, has held separate talks, but the timing of the dispute has meant the three unions have all been in close touch.

The television offer of about 15 per cent plus fringe benefits worth another 2 to 3 per cent on average proved acceptable to NATTKE and EPTU national negotiators. The rejection came from the shop floor.

The unions have been taken by surprise at many of the developments at the companies. They have not been used to tough behaviour by the management.

ITV is a high wage industry, and the traditional answer to labour problems has been to buy off trouble.

A recent survey at ATV in Birmingham showed that electricians on a local news programme were earning £15,000 a year, cameramen £13,000 to £14,000, directors £11,000 to £12,000, and personal assistants £6,000.

ITV staff argue that the companies revenue has boomed during the past four years when their pay has been restrained under pay policy. Fringe benefits and overtime are not included in pensionable rights.

The unions and the companies are also unhappy about the amount of power that has devolved to local level. The running in the present dispute has been made very much on the shop floor.

The companies' tough line was clearly shown at Thursday's ACAS talks. The big five companies, Yorkshire, Thames, London Weekend, ATV and Granada, effectively set the pace. They want a return to more centralised pay settlements. Yorkshire and Granada are reported to be leading the resistance.

There are other reasons why the companies may feel inclined to take a determined line at the moment. Revenue has been rising over the past two years, but most companies are taking a cautious view of 1980.

However, for the moment, few of the commercial television stations can tell a tale of woe. There was a slight hiccup in the winter during the transport drivers dispute, but since then, monthly net revenue figures have been bounding ahead of previous levels. At present rates of increase, ITV net revenue in August might have been expected to reach £33m, compared with a little over £24m in the same month of last year.

The year-end total net revenue of the ITV network last winter was £363m.

It might therefore be argued that the companies are arguing from a position of strength. However, within the franchise holders ranks, there is a degree of nervousness. This is partly because most of them are looking to a downturn in advertising activity later in the year, and partly because none of them are keen to be seen as an easy touch for the unions in the year that they are applying for new licences.

Behind all this lies the basic difficulty that both commercial television, and the BBC, are in a state of technological flux. As with so many industries, new technology threatens major changes in working patterns.

Already, some companies have invested heavily in new equipment, even outside the sensitive area of Electronic News Gathering.

All might wish to show themselves willing to withstand pay claims which were not supported by a willingness to discuss ways in which Britain might follow other Western nations in the new era of television technology.

OVERSEAEK IN THE MARKETS

'Moder to new ideas

BY RICHARD C. HANSON IN T

JAPAN HAS fully recover- from the dramatic ch-nat spurred by the last oil crnerably is well on its way towar anufac- period of moderate result, centering on private der prices home. This is the cor. raw of the Economic P. rising Agency's 1979 White Pa ecome the economy.

Inflation caused by it gilt- increases in the price o ut to recent months. however rarity ing the Government t ervative very narrow path public excessive anti-inflation which could delight some economy. erling has

Emphasising thi er cent fall of Japan annou us week was that wholesale ak by dropping rose at the fa going up 2 the and a half y kets are learning a currency that is

The strong but extremely fragile. The wholesale price indices showed that inflation is still pushing ahead strongly, and that despite sterling's strength, the peak of the present cycle may still be around 18 per cent or so. It also looks as though manufacturers have been successful, so far at least, in passing on their costs. And as for the shortage of gilts, well, no sooner was the long tap exhausted than the authorities whipped out a new 1984 stock—further call of £1bn on institutional liquidity.

Equities were able to shrug off the worst of the recent gloom, and at one time on Wednesday bargain-hunters had pushed the market up to almost 475 on the FT 30-Share Index, but it relapsed towards the end of the week for lack of support. Gilt-edged were inspired by the banking figures, which, although even less easily comprehensible than usual, were interpreted as showing the first signs of the long-awaited slowing of bank lending. The long end of the

LONDON

ONLOOKER

gilt-edged market was encouraged by reports that overseas support had helped account for the remnants of the long tap stock, and fund managers have been unwilling to be anything less than fully committed to the market. But at the shorter end, the new issue of stock can be expected to dampen down demand.

The shares of United Dominions Trust have been hovering just above their year's low for some months. However, this week's results gave them *a welcome fillip*. The conventional thinking ahead of the figures was that Britain's biggest independent finance house would be crippled by the rise in interest rates since something like three quarters of its instalment lending was taken on at fixed rates.

To some extent this was correct and UDT's instalment credit profits in 1978-79 slumped from £14.4m to £5.6m. However, the stock market underestimated the strength of UDT's non-financial operations and at the end of the day the group's pre-tax profits rose from £17m to £30.1m. This compared with market estimates of £15m and the shares rose 3p to 44p on the news. The absence of the previous year's £8.5m special provisions for losses in *South Africa plus* Australia obviously helped considerably but the hotchpotch of UDT's *other* activities *such* as car rental and the International Commodities Clearing House have performed strongly.

The big question now for UDT is when it will start paying a dividend again. It is intent on strengthening its capital base by retaining as much of its profits as possible so shareholders seem in for a long wait. Of course it could make an ideal takeover target but aside from occasional rumours no one has shown any positive interest.

Shot and shell

Shareholders in Bestobell have had a week in which to consider the increased bid terms from BTR, now worth £29m against the initial offer of £26m in cash or shares, and at least one major shareholder has come down strongly on the side of the defence.

Britannic Assurance, which holds 10 per cent of the Bestobell equity, confirmed during the week that it saw the defender as "a sound recovery situation" and noted that BTR was trying to acquire Bestobell at the bottom of the cycle. Further institutional support was expected to rally round and reject the offer which now closes next Friday.

Wellman Engineering Corporation has not been able to claim the public support of a large institution but in many other respects its attempts to fend off an £8m cash offer from Redman Heenan International have mirrored Bestobell's determined efforts to remain *independent*. Redman and BTR have each said that they have now made their final offers and the takeover *panel* will *hold* them to this promise.

In both cases, the offence is led by a charismatic management team, tried and tested in the takeover arena. Chairman Sir David Nicholson, assisted by his chief executive, Mr. Owen Green, has hardly put a foot wrong during an ambitious series of acquisitions at BTR and the group has cultivated an enviable growth record.

Mr. Angus Murray shortly hands over the reins as managing director at Redman Heenan but the company has been turned round under his lead and is now prospering. That gives some credence to Redman's claim that Wellman will prosper under its wing.

Both defences have described the respective approaches as "opportunistic" and produced profits forecasts during the week. Bestobell published its interim profits a month earlier than normal to show a 37 per cent pre-tax uplift to £3.26m and is now estimating growth of at least 30 per cent this year to £6.3m.

Wellman's profits slumped badly last year but the group is now predicting a full recovery this time in its existing businesses to about £1.55m pre-tax and the controversial acquisition of the Industrial Heating Business Division of General Electric in Indiana will add a further £450,000 after all financing charges during the final 33 weeks of the financial year.

At an effective bid price of 71.4p, *Wellman's exit p/e is* 8.4. A complicating factor throughout has been the IHBD deal which Redman emphatically does not want. It will allow its offer to lapse if the deal is approved by Wellman shareholders on Monday.

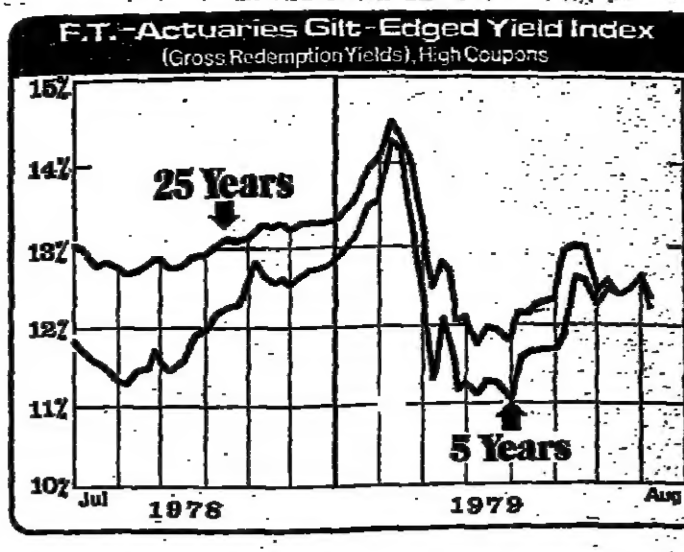
Election errors

It may be of some comfort to ordinary investors to know that the jobbers, right at the centre of the market, can get it wrong, too. Smith Brothers admitted on Tuesday that it had made losses since the May election and Bisgood Bishop on Friday said that it was "breaking either side of par."

Both jobbers were long of equities after the Conservative election victory and had to pay for the mistake as the market fell 100 points in the following months. Bisgood had a net bull position of £3.6m on May 4 and although this was reduced quite quickly, the loss cancelled out the normal trading profits.

Smith and Bisgood were the two jobbers who wanted to get together a couple of years ago until personality differences, which emerged during a reference to the Monopolies and Mergers Commission, spiked the idea. Since then their profits have gone in very different directions. Smith Brothers announced this week that profits had slumped from £1.15m to £283,000 in the year ended May 4, 1979. Bisgood, *by way of* contrast, has recovered from a £135,000 loss in 1977/78 to make *a profit of £744,000 in the latest* full year.

They both complain of the *lack of business since the election*. Equity turnover has fallen from a March peak of £3.7bn to *£1.7bn in July. But then this* drop in volume happens nearly every summer and the May-July *turnover* has in fact been 18 *per* cent higher than last year.



TOP PERFORMING SECTORS IN FOUR WEEKS FROM JULY 12

	% change
Insurance Brokers	+8.1
Food Retailing	+7.6
Wines and Spirits	+7.1
Lt. Electronics, Radio, TV	+5.8
Toys and Games	+4.8
Breweries	+4.2
ALL-SHARE INDEX	+0.6
THE WORST PERFORMERS	
Insurance Life	−3.4
Engineering Contractors	−3.5
Metals and Metal Forming	−3.6
Oils	−4.6
Banks	−4.9
Household Goods	−5.1

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1979 High	1979 Low	
Ind. Ord. Index	470.0	+12.5	558.6	446.1	Helped by currency influences
Govt. Secs. Index	73.74	+ 0.95	75.91	64.64	*Interest rate hopes*
Gold Mines Index	169.3	+22.6	208.4	129.9	Sharply higher bullion price
AGB Research	172	+14	186	115	Results due Monday
Anglo. American Gold	£19⅞	+ 2¼	£23⅞	£14⅛	Sharply increased interim div.
Ault and Wiborg	48	+ 6	60	40½	Satisfactory full-year results
Barratt Developments	121	+10	134	97	Cheaper money hopes
Cawdaw	31	+ 6	39	25	Persistent buying/thin market
Fogarty (E.)	335	+37	335	170	Investment recommendation
GEC	390	+32	456	311	Market trend
GUS A	416	+20	448	288	Press comment
Hunting Gibson	297	+42	297	98	Sale of MV Tyne Bridge
Impala Plat.	162	+20	240	138	Results expected soon
Land Secs.	305	+17	323	244	Hopes of lower interest rates
Messina	82	+10	111	56	Firm copper price
Mining Supplies	92	+10	114	73	*Speculative buying*
Peters Stores	78	+11	80	39	Bid hopes
Radiant Metal	46	+10	46	32	In front of, and after, results
Wagon Finance	43	+ 5	55	37	Int. figs. due Aug. 31
Whitbread A	147	+11	148	96	Renewed investment support

U.K. INDICES

Average week to	Aug. 10	Aug. 3	July 27
FINANCIAL TIMES			
Govt. Secs.	73.41	72.55	73.47
Fixed Interest	74.11	73.65	75.05
Indust. Ord.	467.5	455.0	463.6
Gold Mines	158.3	150.6	160.2
Do. (Ex $ pm)	145.5	138.6	148.6
T'tl. bargains	16,971	15,101	16,004
FT ACTUARIES			
Capital Gds.	241.32	234.43	240.08
Consumer (Durable)	228.74	222.38	226.25
Cons. (Non-Durable)	238.25	229.37	231.01
Inds. Group	235.73	228.02	231.25
500-Share	269.70	261.24	264.81
Financial Gp.	188.40	181.75	185.80
All-Share	246.13	238.32	241.71
Red. Debs.	58.18	58.18	58.80

Wait and see

NEW YORK

JOHN WYLES

SOMETHING interesting nearly happened to the U.S. stock market this week. For three *months it has* been sitting there like a great mass of matter lodged in space. There has been *plenty* of interior life to be observed by those with powerful telescopes. Pressures have been building up which from time to time have threatened to take it first in one direction, then in another.

But charting its possible movement has been as difficult as predicting the patches of ground which would prove to be the last resting places of fragments of Skylab. There have been two schools of opinion here which are worth summarising. Both were predicated upon the *belief* that share prices would make a decisive breakout, taking the *Dow Jones Industrial Average* out of its seemingly semi-permanent berth in the 820-850 area.

One group of luminaries, which included a good many technical analysts who spend hours poring over charts, argued that the breakout would be upwards. Their case was based on an appreciation of the so-called primary trends of the American Stock Exchange and the New York Stock Exchange Composite indexes. This means that if you draw a graph of the movement of the indices since late 1974 and you draw a straight line from the low of 1974 to the lows of 1978-1979 you find that the line is not only definitely slanted upwards but that it has not been breached by any intervening lows in 1975-76-77.

Moreover, the transportation and utility averages have been performing more strongly than the Dow in recent months which means, it is said, that there are no "negative divergences" which indicate "latent technical weakness."

Lastly there *is* the well remarked fact that the market has barely flinched in the face of economic and political news which some had expected to send investors out into the streets screaming in terror.

All that was needed, said the divines, was a significant expansion in NYSE daily trading volume towards 50-60m shares and the Dow could break 860 and have a try for 880 or beyond.

Which brings us to Tuesday and Wednesday, when hearts beat a little faster because the critical mass seemed at last on the move. Tuesday's volume was the second largest this year, the Dow spurted ... comfortably breaking the ... barrier, bent on challenging ... which it sailed through on Wednesday on volume of 40.97m shares. Prayers were offered and sacrifices made for a good old fashioned bout of "panic buying" by the institutions who we know have been sitting aloofly on the touchlines for months refusing to play with the large amounts of cash at their disposal.

On Tuesday, the Institutions made their presence felt in an uncertain manner buying in some old blue chip favourites such as IBM, Xerox, Du Pont, General Electric and General Motors. These large capitalisation stocks have been particularly laggards in recent months as can be seen from indices of the broader market. Since mid-March, for example, the *Dow has risen* by a risible 1.3 per cent, the Standard and Poor's 500 by a more respectable 5.6 per cent while the American Stock Exchange composite is 16.8 per cent higher and the value line composite of 1,692 stocks up by a similar amount.

It was commonly said that the strength on Tuesday and Wednesday was about a belief that interest rates had peaked and would fall during the economic recession along with *the rate of inflation.*

And then the market ran into the producer price index for July which was published on Thursday. It rose at an annual rate of 13.2 per cent, 3 or 4 per cent higher than the most pessimistic Wall Street predictions. The news was bad for the dollar and bad for the market since it is a pointer to the strength of the current inflation and possibly still higher interest rates.

Whether these continuing reminders of the depth of U.S. inflation and the apparent requirement for interest rates to stay at their currently high levels or be pushed still higher will prompt a retreat back to the safe harbour of the last three months remains to be seen. Let the men with their *charts* make the predictions.

CLOSING INDICES

Monday	848.55	+ 2.[illegible]
Tuesday	859.81	+11.[illegible]
Wednesday	863.14	+ 3.[illegible]
Thursday	858.28	− 4.[illegible]
Friday	867.06	+ [illegible]

A little caution may do no harm

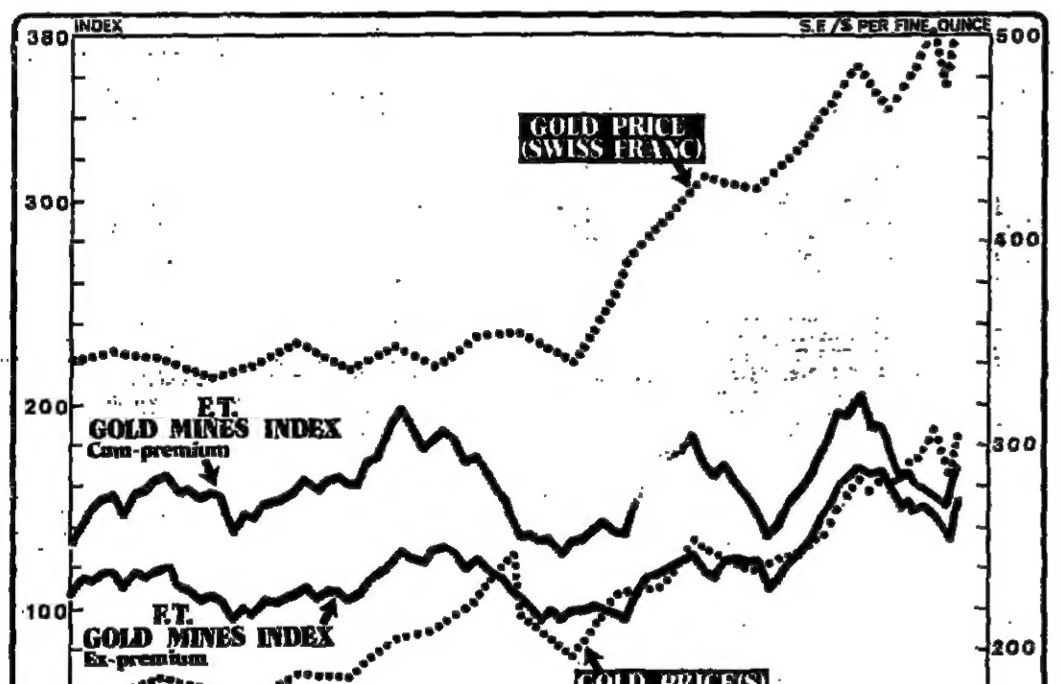
MINING

KENNETH MARSTON

ON OCCASION, as devotees of the *variety stage will know*, the "great" Max Wall is moved to announce that he will give a *recital on the pianoforte*, "with the aid of an AA map and a slide rule." Last week when *discussing* here the obscure near-term outlook for metals, both base and precious, I knew just what he meant.

The base-metal prices were looking distinctly sickly after their sharp recovery earlier in the year while gold at $287 per ounce was on its way down after having traded above $307 in the closing days of July.

Opinion generally was that there seemed little reason to expect any pick-up in the base-metals while a further reaction seemed likely in the bullion price before it turned upwards again. This week the picture appears to have changed. Base-metals have suddenly started to move forward—Copper is up from £838½ to £876½ per tonne—while gold has rallied from $282 to $302.



To understand what is happening in base-metals we need go back to the latter part of last year when recovering prices induced a change of heart on the part of consumers. They decided that the time had returned to take a view on markets: previously, metal could be bought "off the shelf" and there was no need to finance costly stocks.

They decided that metal prices—still low in relation to mine production costs — were going *higher*. The *speculators took* the same view and the result was a further sharp rise in prices. But *demand for metal* is not necessarily the same thing as usage of metal.

Consequently, in our sour spring the consumers found themselves with adequate stocks—carried at high interest rates—and the prospect of the normal seasonal easing in activity as the summer approached. *They* thus allowed stocks to run down while the speculators moved on to the bear tack.

Now, as always *happens, the* pendulum appears to have swung too far. Stocks of copper in London Metal Exchange warehouses are down to their lowest for about four years, speculators have begun to buy again and consumers anticipating the autumn pick up in activity have been following suit.

Just how far the upturn will go is anybody's guess at this *stage, but a good* deal of caution is advisable while the U.S. and other economies *remain in a recession phase. All* that can be said is that earnings of the base-metal mining companies will still make a very good showing this year.

At the same time, as I have pointed out before, a wary eye should be kept on exchange rate movements. The **Rio Tinto-Zinc** group's big Australian aluminium producer, **Comalco**, has provided a good illustration of this point with *its half-year* results which were reported on Wednesday.

Thanks to *the recovery in the* previously depressed market for aluminium, Comalco raised *its first half* 1979 profits by 29 per cent to A$23.7m (£12.1m). But the weakness of the Australian dollar increased the cost of interest and repayments on long-term borrowings from the Swiss and Germans.

After deducting the necessary provision for these exchange losses, Comalco's profit was whittled down to *A$13.9m* compared with A$18.3m in the same period of 1978. However, the company *points to its higher* productivity and still hopes that total profits for 1979 will be better than those of 1978.

Exchange considerations are not such a major factor for RTZ's **Palabora** copper mine in South Africa which sells most of its output on the domestic market. Of more concern is the effect of rising oil prices on this big open-pit operation which uses a fleet of huge diesel-powered *earth-moving vehicles*.

The 64 haul trucks, with capacities of 100 tonnes and 150 *tonnes each*, use more than 11.5m gallons of diesel fuel a year. In 1978 the cost of diesel *per tonne* of copper produced at Palabora equalled R58 (£31). It has now soared to R215 (£115). *This together with the* recent fall in copper prices leads Palabora to warn that its second half profits will be less than those achieved in the first half.

Shareholders, *however*, need not be unduly disturbed in view of the fact that this highly *efficient mine earned a net* R22.36m (£11.9m) in the 1979 first half, not far short of the previous *full year's* total of R26.2m. Dividends are rising accordingly; the first two interims declared for this year total 42.5 cents (22.7p) against 25 cents a year ago.

Turning to gold, the question to be asked is whether the expected corrective movement has now taken place and whether the price *has* embarked on a new upward trend. Unfortunately nobody knows *the answer to this and the* potential investor in gold shares might be advised to be patient *for a while*.

As I pointed out last week, buyers are itching to move back into this market again and when they do share prices could advance sharply. We have had a taste of that this week with the Gold Mines index jumping 15 per cent to 169.3.

The cautious investor may *take the philosophical view that* the brave souls who bought this week deserve their profits. *There should still be plenty of* buying scope left when the market looks more certain.

Allowing for the political aspect, South African gold shares are attractively priced when compared with other gold producers such as the Australians which have to live with the *fear of their tax-free* status being withdrawn.

To help put things into perspective, I took the average of various market estimates of the final dividends to be declared by the Orange Free State gold mines in September and October. I then worked out the dividend yields that would apply to the estimated dividend totals using London cum-premium prices; the non-premium prices would raise the yields by about 2 per cent.

Free State Geduld and **St. Helena** came out with indicated yields of a good 17 per cent, **Western Holdings** and **Welkom** offered 18 per cent and 21 per cent, while **President Brand** and **Winkelhaak** both offered 16 per cent.

Finally, the safest bet is prob*ably via the major investment* company, **Anglo American Gold Investment (Amgold)**. First half earnings announced this week have advanced to R52.3m (£28.1m) from R29.6m a year ago. Market expectations of the interim dividend have been surpassed with a payment of 175 cents compared with 100 cents last time.

Amgold is still riding the wave of rising dividend income and the latest results have led to an upgrading of earlier expectations for the full year. These *included a total dividend of a* minimum 300 cents. It now seems more likely that the total could be in the region of 375 cents—400 cents which would put the yield in the 11 per cent area.

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FINANCE AND THE FAMILY

Estimate of pension value

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

How can one make a "best estimate" of the financial value of the pension aspect of remuneration when considering changing jobs? Should I make a self-employed retirement payment for my last two trading years—or would this "spoil" a pension provided by a new employer? Can I still get a 2/3rd final pay pension for about ten years' service (as in a local authority), would this be a "better buy," should it be by paying a lump sum or by paying higher contributions?

Quantifying the value of prospective pension rights, particularly when they are based on an unknown future salary and make allowance for post-retirement cost-of-living increases would require you to retain the professional service of an independent actuary. You would ask him to estimate the contribution level (expressed as a percentage of your salary) needed to pay for the benefits under each of the pension schemes of the many companies with which you are considering taking a job.

If you are bargaining from a position of strength and can negotiate your own total remuneration package then if you have ten years' service left until retirement you can negotiate the Inland Revenue maximum pension of 2/3rds final salary less any retained pension rights from earlier jobs and less any self-employed annuities that you have bought. Only in this case should you refrain from making any more self-employed retirement annuity payments.

If you go into the public service (for example local government) there is not the same employer flexibility to offer you a great deal. For ten years service you will 10/80ths pension plus a lump sum of 30/80ths (pension plus lump sum together being roughly worth 10/60ths). However, this is index linked. You can make payments for added years within the Revenue limits. This is worth doing if you can afford it because what you are buying is a pension based on your final salary (that is it protects you against inflation over the next ten years) and gives you inflation proofing on your own pension and (if you are a married man) any surviving spouses pension continuing as long as you live (and for the life of any surviving spouse).

Clearly a good contributory scheme is better than a bad non-contributory scheme. If you are comparing two schemes both giving, say, 60ths and under one you have to pay 5 per cent and under the other nothing then you can reasonably argue that the non-contributory scheme is worth 5 per cent more to you in terms of remuneration. If you are thinking of joining the civil service, however, where ordinary pensions are non-contributory you have to bear in mind the fact that salary levels (based on past comparability studies in private sector employment) are reduced (as compared with what they might otherwise have been) to allow for such non-contributory benefits. Such a practice is rare in the private sector.

Some useful further information (including an example) relevant to the case of an executive taking up an appointment in his 50's is given at chapter 8 of the Manager's Guide to Pensions by Dryden Gilling-Smith published by the Institute of Personnel Management, Central House, Upper Woburn Place, London WC1H 0HX.

Call options and tax

In April, I took out call options on ordinary shares in Marks and Spencer, Scottish and Newcastle and Lonrho at an outlay of around £1,700. Declaration Day was June 28, but by then the market prices were in each instance such that I had no realistic alternative but to abandon the options. I had assumed that, in the event of abandonment, the losses on these options would be allowable for CGT purposes. But some comment I have seen recently, probably in the Financial Times, cast an element of doubt on this, appearing to suggest that a loss would only be allowed if the option were taken up and the shares resold. That however is not how I read the relevant provisions in CGT legislation, viz the amendment introduced under section 58 of the Finance Act, 1971. Could you tell me please which is the correct interpretation? If I am wrong, would it make any difference if, for instance, I had disposed of my options to a friend for, say, a nominal 1p each? Could I also ask if I have any entitlement to a Marks and Spencer dividend—the shares went ex the final dividend of 1.4587p while my option was current?

Section 58(1)(a) of the Finance Act 1971 (now re-enacted in section 138(1)(a) of the Capital Gains Tax Act 1979) covers quoted options to subscribe for shares; it does not extend to options to purchase shares. This arbitrary distinction was mentioned in a reply published in the Finance and the Family column on December 10, 1977, when we explained to a reader that his Montagu Boston Investment Trust Ltd quoted options were covered by section 58 of the 1971 Act, but that his New Throgmorton Trust Ltd quoted options were not (and were therefore wasting assets for CGT purposes).

Because of paragraph 14(3) of schedule 7 to the Finance Act 1965 (now re-enacted in section 137(4) of the CGT Act), the abandonment of a call option does not constitute a disposal, and so there is no allowable loss.

If the options had been exercised, the cost of the options would have been treated as part of the cost of the shares themselves, under paragraph 14(2)(a) of schedule 7 to the 1965 Act (now re-enacted in section 137(3)(a) of the CGT Act). It may be advantageous, in marginal situations, to exercise an out-of-the-money option and sell the shares (instead of simply abandoning the option) because, although this increases the pre-tax loss, the consequent CGT relief (at up to 50 per cent) may exceed the extra loss incurred.

Because of the wasting-asset rule in paragraph 14(4) of schedule 7 to the 1965 Act (now re-enacted in section 138(2) of the CGT Act), a sale of an option which has become valueless will not produce an allowable loss. As to transactions with friends generally, no doubt you saw the reply published on July 7 under the heading "No bed and no breakfast."

You have no entitlement to any benefit from the dividends paid by the companies in question.

Farm tenants' responsibilities

● Our reply under the heading "Farm tenants' responsibilities", on July 14 1979 was incorrect in its references to the incidence of obligations to repair. The provisions of the Housing Act 1961 relating to leases of less than seven years do NOT apply to agricultural holdings. Instead provision is made in The Agriculture (Maintenance, Repair and Insurance of Fixed Equipment) Regulation 1973 (SI 1973 No. 1473) giving the landlord rights and liabilities to execute repairs to the roofs exterior and main structure of farmhouse cottages and farm buildings with provision for the landlord to recover from the tenant half the cost of certain of the items (eg floorboards, interior stairs, doors, windows, gutters and downpipes). Reference should be made to the Regulations for their full provisions.

Household refuse

On May 5, under "Household refuse" was a query from a reader concerning the charging for refuse collection from a hotel. Your reply indicated that such a charge should be resisted on the basis of the decision in Westminster Corporation v. Gordon Hotels (1906) 2KB39. Being the owners of a sizeable hotel I approached the local Council requesting that refuse collection be carried out free of charge and quoting the above case. However, they are standing by their charge, quoting the case of Iron Trades Mutual Employers Association v. Sheffield Corporation (1974) 1 AER 182. Of course this is a more recent case and deals with the definitions contained in the Public Health Act, 1936.

Bearing in mind the comments of Lord Alverston in the case of J. Lyon and Co. Ltd. v. the London Corporation (1909) 2KB588 confirmed in the more recent case by Bridge J "that everything produced in a trade was trade refuse" would you still agree that the refuse from a hotel or motel should be classified as "house refuse" and collected free of charge?

The reply to which you refer related to refuse from a cottage which was the subject of short lettings. The view expressed in the more recent Iron Trades etc. v. Sheffield case was that both the character of the refuse and the character of the hereditament from which it comes are to be regarded; and that house refuse must fulfil both criteria. Hence refuse from a Motel, albeit of a kind which a house occupied as a dwelling would produce, would not now be classified as house refuse.

The Revenue learned some years ago to take a jaundiced look at trusts. The position now, with the Capital Transfer Tax, is complex.

Providing for the children

TAXATION

DAVID WAINMAN

IN THE DAYS when Estate Duty was the voluntary tax which the rich managed to avoid paying, putting assets into trusts was one of the favoured methods of achieving this end.

Small wonder that the Revenue came to regard trusts, and in particular discretionary trusts, with considerable disapprobation. Their tax advantages were cut away in a series of changes, both in income and capital taxes. The Finance Act 1973 applied an additional 15 per cent tax to income received by trusts which were designed to accumulate that income, and those in which the ultimate destination of income or capital was to be fixed by the exercise of the trustees' discretion.

But it was the Finance Act 1975, introducing capital transfer tax, which was thought to presage the end of trusts—at least for tax minimisation. A charge to tax for the settlor when he puts assets into trust, followed by another charge further depleting those assets when they are handed over to the beneficiary or beneficiaries at the end of the trust period, are daunting enough.

These are by no means the full extent of the possible penalties: trusts where a life tenant stops being entitled to income, (whether on death or earlier), are charged as if the assets had been given away by that life tenant, or had passed on his death. A trust with successive life tenancies will therefore pay tax at the end of each.

Trusts where the income does not automatically, and as of right, flow through to become the income of some one or more life tenants cannot, obviously, be taxed in the foregoing manner when capital is distributed. Instead, the law prescribes complex and unpleasant charges on any such capital distributions, (including the transaction which is equivalent thereto, namely the trustees' decision to appoint the income to a beneficiary who thereby becomes the life tenant). These trusts are also charged on every tenth anniversary of their creation.

The 1975 legislation provided a transitional assistance to trustees who wished to bring discretionary trusts to an end, or to appoint income to a life tenant. Only a percentage of the full tax rates was to be payable on capital distributions before 1980. Similarly no periodic charge was to take place on any tenth anniversary before that date. The Chancellor has now pushed this date two years further forward—and he announced in his budget speech that he would be reviewing the whole structure of capital transfer tax, describing it at present as oppressive.

In parenthesis it is also worthy of note that the Revenue have been thrown into some confusion by a recent High Court decision. We have described trusts above as having, or not having, a life tenant. The phrase used in the legislation is "an interest in possession." Many lawyers were unsure of its meaning when they first saw this phrase, but the Revenue were adamant that (like Humpty Dumpty's words), it meant what they meant it to mean. Since the High Court has disagreed with them, we must expect an extended period of uncertainty while the Revenue take the case to the Court of Appeal, and possibly the House of Lords.

Capital transfer tax may in due course become less onerous. And cynics might say that within five years thereafter it is likely to be changed back to its present harshness. But there is one form of trust which even in the original 1975 legislation was singled out for a more lenient tax regime.

The draftsman chose to call this object of his benevolence "an accumulation and maintenance settlement." The original conditions which it needed to meet, in paragraph 15 Schedule 5, Finance Act 1975, were slightly tightened in the following year's finance act. Complying with these requirements, the most commonly met children's settlement is now drawn up to achieve the following (it is possible to draw the trust deed differently if this is required):

Where funds are held in trust for a child or children, the trustees have the right (under the Trustee Act 1925), to accumulate any part of any year's income not then required for the children's maintenance, education or benefit. The accumulations can be distributed in a later year before the child's majority, and would then be taxed as the children's income in that year. Children are of course entitled to a single person's deduction against their income, and can thus reclaim not only the 15 per cent additional rate tax which will have been deducted from the trust income, but also the 30 per cent basic rate.

Any accumulations in the trustees hands when a beneficiary reaches 18 become part of the capital of the trust. Thereafter, so long as the trust continues, the beneficiary normally has an absolute right to the income as it arises each year both from the original settled funds and from the capitalised accumulations. (Alternatively it is possible to provide that the trustees may continue to accumulate income.)

But children can have paid out to them more than the trust's income. The Trustee Act already referred to enables the trustees to distribute in addition up to half of a child's prospective capital entitlement. And this power is frequently enlarged in the trust deed to enable trustees to distribute the whole capital during a child's minority.

The extent to which a beneficiary can have capital paid out between 18 and the end of the trust period is governed solely by the trust deed, but it is unusual for the trustees not to have full powers to advance capital.

—To qualify under the accumulation and maintenance rules, this particular phase of the trust must be brought to an end not later than the time the last beneficiary reaches 25. The less usual way of doing this is to give one or more beneficiaries a life interest: more commonly the capital is paid out to them. Those beneficiaries must all be of one generation; and they must have at least one grandparent in common. It is a further requirement that the accumulation and maintenance phase of the trust may not last more than 25 years overall. The class of beneficiaries can thus be so delineated that children unborn when the trust was set up will, at birth, come in alongside those originally in existence: but this means that these later additions will then need to take earlier than their twenty-fifth birthdays any capital or life interest to which they eventually become entitled.

The trust must have the required "self-destruct" mechanism built in — the trustees must not be capable of continuing to hold the funds on an accumulation and maintenance basis after the permitted period. But that does not mean that each beneficiary's share of the fund must be fixed at the start. It is possible so to word the deed that the final decision need not be made until each beneficiary reaches 25. And before that, in deciding what income distributions and capital advances are desirable, the trustees can be empowered to make interim decisions without fearing that a later different decision will necessitate any repayment by a beneficiary of funds already paid to him.

The individual who creates an accumulation and maintenance settlement does not escape capital transfer tax when he puts the original assets into trust. And capital gains tax will also be payable at that point, because settling those assets is regarded as a disposal for the latter tax.

However, unlike the trusts considered earlier and which the Revenue deplores, capital transfer tax is not normally charged a second time. Capital can be freely distributed during the accumulation and maintenance period or at the end of it. (Exceptionally, if that ending is the start of a beneficiary's life interest, tax will of course be chargeable when the latter eventually ends.)

But potential settlors may see further benefits. Assets can be passed down the generations —but which one or more of the beneficiaries should finally take those assets is a decision which can be left until they reach twenty five. Before, that, as a flexible source of money, (for instance for school fees, house purchase or setting a beneficiary up in business,) these trusts can hardly be bettered.

YOUR SAVINGS AND INVESTMENTS

A key long-term indicator has just sent ripples of excitement through the gilts market. **Barry Riley** explains why.

Taking a cue from Consols

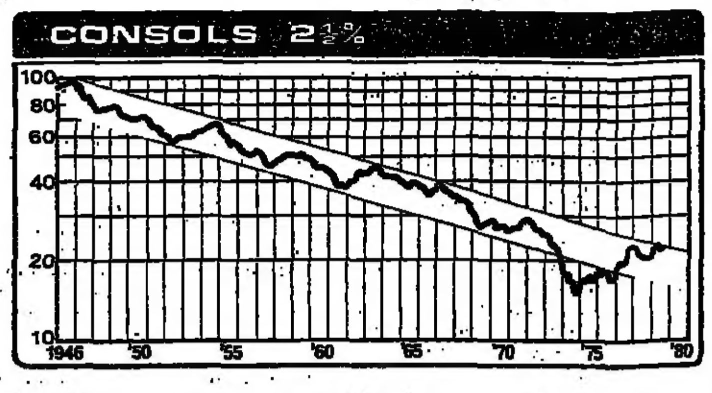
THERE WAS a burst of trumpets from chart followers this week as the price of 2½ per cent Consols edged above the £24 mark, a new peak for the year, and according to some of the chartists a level of key long term significance. This is because £24 would appear to mark the point at which Consols are breaking through a declining trend line which has been unpenetrated throughout the disastrous postwar history of the gilt-edged market.

Nowadays 2½ per cent Consols are of little significance in the gilt-edged market. The whole issue is currently worth under £70m, and indeed all six irredeemable stocks (of which 2½ per cent Consols is one and War Loan by far the biggest) are capitalised at little more than £1bn. That is about the size of one average modern tap stock.

For long-term trend spotters, however, Consols does have the advantage of sheer longevity—the stock dates back to 1752, and the last tranche was issued in 1902. In the famous (or infamous) Dalton cheap money period just after the war the price hit par. For most of the years since then the gilt-edged market has been locked into a wretched spiral of rising interest rates and accelerating inflation which has meant that anyone who put £100 of honest money into 2½ per cent Consols in 1946 now finds himself with around £3 of equivalent purchasing power should he sell at £24.

Consols give a clearer and more consistent picture of the long term trend than any index of more widely held stocks could do, for these must be changed from time to time as they come up for redemption. Chart analysts have found to their fascination that they have been able to draw parallel lines to define a precise trend channel for the price of the stock.

There can, however, be no magical precision about this. If the ruler wobbles a little one way or another over the graph paper, £24 no longer becomes the critical figure. In any case, *a glance at the chart shows that* the lower trend line was already decisively penetrated back in 1974. If the upper line is now to be broken it will only serve as confirmation of something *that has already become* obvious: that the chart entered quite a new phase after the 1974 bear market low when the Consols yield topped 17 per cent. That return has never *been approached again—it is* now 10½ per cent.



This yield on Consols currently looks anomalously low. It is well below the returns on the dated long stocks, and effectively almost a point less than that on the almost identical Treasury 2½ per cent. Some dealers are suggesting, in fact, that the price has been ramped. But it must take much more than minor market distortions to explain why the yield on an undated fixed interest stock is well below the rate of inflation—a rate which has fluctuated widely, but has not clearly trended downwards in the past few years.

Evidently buyers of gilts expect that before long a decisive downwards shift in the rate of inflation will in fact take place. The capital markets are starting to discount a fundamental change in the behaviour of the economy. Quite a few observers in the City are looking at that hesitant upward course in the price of Consols since 1974 and are wondering whether the 30-year bear market could be succeeded by a long term bull phase.

The 30-year downtrend coincided with the era of Keynesian economic policy-making. Deficit financing appeared to generate growth—but it eventually undermined the capital markets and led only to an inflationary minefield. It *was Mr. James Callaghan who* said that we no longer had the option of trying to spend our way out of trouble, and with the arrival of the new Conservative Government virtually all trace *of consensus post-war economic* policies has vanished.

The Government will find it hard to keep to its chosen path. But so long as it does, 2½ per cent Consols will continue to rebuild a reputation destroyed in the course of a generation.

Rhodesian bonds are again bobbing up and down on rumours of an early settlement. **Tim Dickson** looks at one man's view.

What price 14 years of arrears?

DEALING IN Rhodesian bonds, *most people would probably* accept, is a bit like riding on a giant rollercoaster. The experience may well be rewarding but the ride is also bound to be bumpy, if not downright dangerous. Gamblers who are prepared to run big risks may do well, but widows and orphans should definitely stay clear.

Last week prices of the 12 "Southern Rhodesia" loans quoted on the London Stock Exchange ebbed and flowed as speculation mounted that a significant diplomatic breakthrough in Southern Africa had been achieved. Renewed hopes of an early political settlement in Rhodesia encouraged investors to pour their money into securities which for 14 years have yielded precisely nothing and which in more than half the cases have passed the redemption dates without any repayments of capital being made.

What the buyers were gambling on is this: if Mrs. Thatcher's initiative is successful, the way could be paved for a new Zimbabwe Rhodesia administration to pay off the capital and interest arrears on its overseas debt. The result: a big capital gain for current holders of Southern Rhodesia bonds.

Such hopes, of course have first fuelled the expectations and then emptied the purses of many punters in the past. But according to Mr. Roger Abraham, a partner in the *stockbroking firm of Simon and* Coates and a leading City expert on this highly specialised type of investment, Rhodesian bonds are still an excellent buy.

Mr. Abraham's optimism is based on two main planks: firstly, as a close "Rhodesia watcher" for the past three years, he is convinced that this time round there will be no major political setbacks; *secondly, he is just as sure that* once recognised a future Zimbabwe Rhodesia Government will add compensation to the arrears of interest and capital.

Mr. Abraham freely admits that without a political solution there will never be a settlement for the estimated 15,000 UK holders of Rhodesian bonds. *According* to the Council of Foreign Bondholders, the body which will immediately begin negotiations if sanctions are lifted, roughly £45m worth of capital and interest arrears on *the 12 Rhodesia stocks is now* outstanding to foreign holders.

Sanctions, Mr. Abraham points out, may not have worked with oil and capital goods but they have undoubtedly worked with money. *For as a result of* its international isolation, Rhodesia has been unable to raise capital from foreign money markets. An extract from the last Rhodesian budget shows that total external borrowings amounted to only Rhodesian $83m.—a relatively low sum compared with other developing countries.

Following a settlement Rhodesia would probably be anxious to tap overseas sources of capital and increase its external borrowings. In order to do this, however, a new administration would need to honour its outstanding debts.

Compensation for interest which would have been earned by bondholders had redemption taken place on schedule is, however, the real key to Mr. Abraham's bullish predictions. He accepts that without it current Rhodesian bond prices are a fair reflection of the political uncertainties. He claims, however, that the market is not discounting the possible level of such compensation.

Roger Abraham: bullish predictions

SOUTHERN RHODESIA BONDS—WHAT INVESTORS COULD GET

Stock	Price	Gross interest arrears	Total arrears and capital	Value if coupon continues to end 1979	Value if 6% paid after redemption to end 1979
3½% 1961/66	83*	3½	103½	147½	179½
4½% 1958/68	86*	13½	113½	160½	117½
3½% 1967/69	90	12½	112½	145½	170½
2½% 1965/70	89	12½	112½	133½	165½
3% 1971/73	96	22½	122½	139	157
4% 1972/74	98*	36	136	154	164
6% 1976/79	124*	81	181	181	181

* Bid price only.

The accompanying table shows the total return to holders of each stock which has passed or reached redemption *both if the same coupon is* continued (after the advertised redemption date) to the end of 1979 and if interest after advertised redemption is set at 6 per cent. Six per cent, Mr. Abrahams argues, is not unreasonable considering this has been the minimum level of interest paid on new domestic borrowings and given the alternative returns which would have been available to holders elsewhere.

Buyers of all stocks in the table, incidentally, should subtract from gross interest arrears *the first half yearly interest* payment which, following a Bank of England ruling, will go to the original bondholders at the time of UDI. They should also be aware that the price of all these bonds have surged ahead very sharply in the last few months. If a settlement does not take place, the bulls are in for a roasting.

Don't give credit to the thief!

BLUE SEAS and sun-kissed beaches are the stuff of mid-winter dreams, but a holiday soon turns into a nightmare if the local pick-pocket strikes. Finding oneself "penniless" in foreign parts is enough to reduce the most stout hearted traveller to panic and send him running to the local police for succour. Reimbursement from this quarter, however, is rare.

The next step is to try and cut your losses. Missing currency is obviously gone for good, but swift action must be taken if credit cards and travellers' cheques have been stolen. Few people are careful enough to have a list of telephone numbers to contact should their "plastic money" disappear so here is a run down of what to do—assuming, of course, you can beg, borrow or steal enough money to make the calls.

The two major UK credit cards, Access and Barclaycard, have a similar geographical coverage, though the former enjoys a stronger representation in Europe. Overseas, the easiest way to make contact with Barclaycard is to get in touch with one of Barclays Bank International's offices—otherwise a bank within the "Visa" connection might be able to help.

The onus however is on the card holder to inform Barclaycard as soon as possible, so if one of Barclay's overseas offices is not at hand a telephone call, telex or telegram should be put *through to the Barclaycard* centre in Northampton. The telephone number is Northampton (0604) 21100.

In the hands of the unlawful a Barclaycard may well be more *attractive than Access since it* can be used to withdraw cash from Barclays Bank International offices up to the tune of £500 per overseas trip. Access, on the other hand, is only valid for goods and services.

Access meanwhile prints a telephone number on the back of the card, though that's hardly much use when it has been stolen or lost. Contact can be made with the head office in Southend-on-Sea via Access' connections with Master Charge or Eurocard, but direct contact with Access is best. The telephone numbers vary with the bank involved — Midland's Access is different from Nat West's—but a call to the computer centre on Southend (0702) 352211 will do the trick.

Other popular cards, American Express and Diners Club, operate through a franchise system. American Express, like the other major card groups, claims to be represented in over 100 countries and is accepted in some four million establishments. Not surprisingly perhaps an AE card is no longer of any use in Iran.

MONEY
TERRY GARRETT

Because of the nature of American Express, local offices are dotted throughout the world where the cards are in use. Any loss should be reported to the nearest branch or failing that the UK office in Brighton should be telephoned on Brighton (0273) 693555.

Similarly, Diners Club has representative offices around the globe. If a card goes missing the local branch should be able to help or the head office in the UK can be found on Farnborough (0252) 516261.

All the card companies make holders liable for a small sum *should the card be used fraudulently*—assuming of course the holder himself is not "in on the act." For Barclaycard and Access the holder is responsible for the first £25. American *Express holders have a liability* of £20 and Diners Club holders £30. The card companies, however, rarely ask the holder who has had his card stolen to cough up. In reality the threat of a "*small fine*" *is imposed* just to make the cardholder more careful about where he leaves his card.

Travellers cheques present less of a problem. Banks and travel agencies *usually issue* a small guide with the cheques spelling out exactly what to do and who to contact should the cheque be stolen. Continuing the holiday should not present any major obstacles, since local agents are authorised to issue replacements, having first checked back with the issuing office. The traveller can therefore go on his way clutching a fresh wad of cheques . . . and a determination not to let them out of his sight again.

New ideas for the small portfolio

SMALL INVESTORS are a headache to stockbrokers. The costs of servicing an individual portfolio continue to rise and as time goes by it becomes financially less rewarding to adequately service a small fund. The costs simply swallow up any profits.

One increasingly popular solution for stockbrokers is to get together with a linked-life company and offer small clients investment through a life fund. Last week, for instance, Moy Vandervell became the latest firm of stockbrokers to take this route, joining forces with Trident Life.

Under this type of arrangement, the life insurance company sets up a unitised fund—equity or fixed-interest—and appoints the stockbroker as investment manager. The fund is *kept quite separate from the* other in-house funds managed by the life company, whose functions are solely to underwrite the death cover and handle the administration.

The stockbroker's smaller clients then invest their money by buying and selling units in the fund. They still have the benefit of the stockbroker's expertise while the stockbroker is able to manage the fund on an economical basis. The investor himself, of course, no longer has his own individual portfolio, but this is something which is becoming almost impossible to organise through a stockbroker on an economical basis.

If the investor requires steady income or wishes to realise part of his capital, he uses the usual withdrawal facility applicable to life bonds. This allows him to take up to 5 per cent of his original investment each year without incurring any tax liability at the time of withdrawal. The tax is deferred and will usually apply at the time the bond is cashed-in. The profit on the bond is then subject to the difference between basic rate and the bondholder's tax rate only.

There are other considerations which the smaller investor should take into account. The life fund, for instance, pays tax at 37½ per cent on investment income, less expenses, and 30 per cent on capital gains (no capital gains tax on gilts if held for more than one year). Following the latest Budget, the invidual on basic rate tax is only paying 30 per cent, while his investment income has to be £4,000 to attract the surcharge. The savings in stockbroker charges, however, should outweigh these disadvantages.

The original tie-up between stockbrokers and life companies related to lump sum bond investment. But the attraction of investing with a life company also lies in the regular savings plans, with tax relief on the contributions and tax-free sums and income available after 10 years. It was not long before such schemes were being offered to clients as well as bond investment. The Moy Vandervell tie-up with Trident Life offers both lump sum and regular saving in a gilt fund.

The developments have not stopped there and there has been ample scope for all sorts of innovation. Lloyd's Life has been particularly active in this field and now has connections with six firms of stockbrokers. It offers investors the opportunity to invest in specific equity types, like high income and small companies, while still having their own stockbroker to manage the funds.

The tie-up, moreover, has not just been confined to servicing the smaller investor. Steady business has been done in the development of an up-market product—the personalised bond. Here, *the richer investor, being* the sole bondholder, effectively has his own life fund while his stockbroker manages the investments—usually at least £100,000—on his behalf.

Why take this route instead of holding an ordinary portfolio of stocks and shares? The answer is that the taxation of life bonds and life funds works in favour of the higher rate taxpayer, especially one seeking income. Investment income is rolled up at a lower rate and the investor can take his 5 per cent tax deferred withdrawals to provide income, while still retaining control over his portfolio. AMEV Life Assurance and Albany Life are two companies active in this field.

The other interesting feature in the Moy Vandervell-Trident Life link-up is that it is a three way affair, the third partner being Investors Planning Associates, a firm of financial planning consultants. This reflects acceptance of the need for comprehensive investment planning by specialists. Some stockbroking firms have set up their own specialist departments in this respect while others have taken the route of linking up with a specialist firm.

All these developments can be seen as helping to provide investors with the widest possible range of investment vehicles. No longer will a simple life contract or a straightforward portfolio of stocks and shares necessarily provide the maximum after tax return. Planning is necessary to achieve this.

Such plans are, however, more likely to be looked upon as yet another abuse of the tax privileges granted to life companies. At a time when the whole tax relief system is coming under close scrutiny, the view of some sectors of the life assurance industry is that schemes such as these may well help persuade the authorities to remove the tax privileges at present given to life companies.

ERIC SHORT

Life company link to a high yield

LIFE INSURANCE plans linked to a building society account can often provide a good deal as the latest move from the Bradford and Bingley Building Society underlines. Following the recent increase in the building society investment rate, Bradford and Bingley has substantially boosted its returns on these insurance-linked savings schemes.

The Society has two plans, both named Linkplan, one for the regular saver and the other for individuals with a capital sum to invest.

Under the ordinary scheme, which provides regular savings, a small deduction is made from *each premium to cover expenses* and the cost of life cover. The remainder is invested in a special building society account and because it is a life assurance contract meeting with the necessary conditions, the investor also gets life assurance tax credit. For each £8.25 paid by the investor, the Inland Revenue contributes a further £1.75.

BUILDING SOCIETIES
ERIC SHORT

This tax credit helps provide a better yield than the straight building society investment.

With the lump sum version, named High Yield Linkplan, the investor puts his capital sum into the building society. Each month enough is withdrawn to pay the premium on an Ordinary Linkplan. At the time of cash-in, the investor receives the value of his life policy together with what is left of his original investment. Again the yield is boosted by the tax credit.

Bradford and Bingley, in common with other building societies which offer such plans, has kept a low profile on the marketing of such products. Now the society, probably realising that it has a winner on its hands, intends to start *marketing them more aggressively.* Investors should remember that to achieve such yields, they must leave their money in for at least four years.

NET NEW LINKPLAN YIELDS

ORDINARY LINKPLAN	Age at entry 17-40 %	41-50 %	51-55 %
4 years	14.28	13.23	12.07
10 years	10.52	10.12	9.72
HIGH YIELD LINKPLAN			
5 years	11.35	10.98	10.58
10 years	10.33	10.10	9.87

هكذا من الأصل

GARDENING/PROPERTY

Bags of crops

BY ARTHUR HELLYER

GROWING bags have undoubtedly come to stay. For commercial growers of tomatoes and cucumbers they eliminate the expense of soil sterilisation or soil changing and provide a compost which is as nearly standardised, and therefore predictable in behaviour, as such things can be. For home gardeners the advantages are rather different, one of the principal ones being that bags make it possible to grow crops and flowers where they have never been grown before. There is scarcely a balcony, yard or flat roof that could not accommodate a few growing bags and results in such places are likely to be just as successful as in more conventional surroundings.

The peat composts with which most bags are filled are light and clean and this is equally true of bags filled with pulverised bark which many conservationists regard as a more desirable medium since it is a waste product which is endlessly renewable, whereas peat is a natural soil which is in finite supply.

A new development, which has been tested on a considerable commercial scale in the Channel Islands this summer and will be available on the retail market next January, is a dehydrated "board" of compost which weighs only 7 lb and is consequently very easy to transport. When wetted with four gallons of water each board expands into a growing bag 4 ft long which is a little more than the conventional growing bag and enables four tomato plants to be grown in each instead of the usual three. My only reservation is whether amateurs will religiously apply that 4 galls. per bag and give it adequate time to be absorbed by the bone dry peat.

If they do not they will run into trouble for the major snag for unskilled gardeners with growing bags of all kinds is that they dry out fairly quickly, are extremely difficult to get properly moist again if they do become dry, and can remain deceptively moist on the surface. It is essential to start with compost that is well moistened right through and to keep it that way to the end.

New PBI growing boards in use in a commercial greenhouse. The plants are watered automatically.

Commercial growers expect to get crops from growing bags every bit as heavy as those from those grown in beds of soil. Early tomato plants are allowed to grow vertically until they reach the roof of the house, when they are untied, laid out horizontally and allowed to run up again to give a second or even third crop.

In this way the total length of a single plant can be as much as 9m and is proof that growing bags will maintain very large plants. To achieve this growers feed on a scale beyond anything dreamed of by most amateurs. Usually water is supplied by some kind of trickle irrigation and plant food, in liquid form, is introduced to this as required. Though such methods appear to be the last word in simplification in fact they require a high degree of expert supervision and the delivery apparatus used is sophisticated and fairly expensive.

Simpler automated systems are available for small greenhouses and gadget minded gardeners often construct efficient apparatus of their own design. Yet I am sure that most private gardeners using growing bags have none of these aids and water them the traditional way from hose or watering can. It is highly probable that most give too little water and are even more deficient with food. It is difficult to quantify these things accurately since so much depends on the weather, the size of the plants and the rate of water loss by transpiration.

The essential is to keep peat or bark moist right through and at this time of the year, when tomato and cucumber plants are at their largest and are cropping freely, it is probably necessary to water daily and feed every five or six days. Yet there is a danger of overwatering and drowning roots. It can be avoided by making two or three slits in the bottom of each bag before placing it on its hard floor. The slits will allow surplus water to drain away harmlessly without any serious danger that compost will escape or harmful pests and disease-causing organisms will enter from below.

If only manufacturers would make their bags a bit more presentable I am sure they would be used a great deal more in amenity situations. At present everyone seems intent on producing a bag which will be as conspicuous as possible at the selling centre and will carry the maximum amount of prominently displayed advertising matter.

They do not do it for the commercial grower, presumably because they know it would be a waste of money and my guess is that if they applied the same policy to the retail market, or at least confined advertising to the bottom of the bag where it would be out of sight once the bag was in use, sales would increase not decline.

Some weeks ago I described an advanced system of soil-less cultivation known as the nutrient film technique (NFT). Some readers have said they would like to experiment with simpler methods involving little capital outlay and the manufacturers of Phostrogen have reminded me that they offer a free brochure on various systems of hydroponics using their fertiliser which is suitable for the purpose since it contains some of the minor plant foods, the so-called trace elements, as well as the big three, nitrogen, phosphorus and potash.

In fact this brochure, which is sensibly illustrated with clear line drawings, describes three systems, one the simplest imaginable in which plants are grown in pots filled with sand, vermiculite, leca or some other inert aggregate and are watered daily with very dilute Phostrogen; the second a simple sub-irrigation system watered and fed from a bucket, once a day, which is moved from floor to a support well above the bench, and the third a system of tank culture or pure hydroponics which I think might prove difficult to maintain.

This excellent little brochure was prepared with the advice of J. Sholto Douglas who is a well known exponent of soil-less cultivation and has written the best simple book on the subject, *Beginner's Guide to Hydroponics*, published by Pelham Books.

The Phostrogen address, for those who would like to get the brochure, is Corwen, Clwyd, LL21 0EE.

Paying the piper

BY JUNE FIELD

AS AN estate agent could not operate without a supply of properties to sell, one would presume that the person who provided their vital stock in trade would be cosseted from start to finish. Yet one of the commonest complaints current about agents' services is what I suppose one could justifiably term "after-care."

In many cases communication would appear to be sparse after the initial letter specifying the commission payable: by custom sent out anyway, it is now a requirement under the new Estate Agents' Act, 1979, section 18(2), which says that "particulars of the circumstances in which the client will become liable to pay remuneration to the agent for carrying out estate agency work" must be given. Failure to do so is not a criminal offence, but may give rise to civil action, points out R. A. Andrews, of The National Association of Estate Agents, in *A simplified guide to the Estate Agents' Act, 1979*, published for the benefit of its members.

As far as I can ascertain it is not necessary or even usually customary to send to the property owner a copy of the sale particulars of what are, after all, a description of his goods; and it appears to be unheard of to submit a draft for checking before the details get into print, and are duplicated and sent out to those looking for a home.

I have tackled several agents about this in the past, and the reply seems to be universal, that they are afraid that an owner will want to alter the details—unsuitably. "And this would cause delay, an annoyance factor which would create problems in marketing," was the latest reasoning I received from a negotiator in a large firm of estate agents, who also agreed that without a vendor there would be no property to sell.

"If marketing is the name of the game, then surely a vendor could expect a progress report, to promote a good client-relationship if nothing else. I have no idea how many copies of details of my property have been sent out, when, where or how often it is being advertised, or how many people are actually being taken to view," claimed one disgruntled absentee-owner who was rapidly losing confidence in his agent purely because he was not being kept in touch with what was happening.

To put the agents' side, as their job is in that nebulous "no-sale, no-pay" category, it could well be that the time spent on one particular client may prove uneconomic, balancing the outgoing costs of staff, office rent and expenses, advertising and so on, against the possibility of incoming commission. Yet with no retail price control, it is the agents who make the rates—which, out of London, appear to be fairly general at 2½ per cent on the first £10,000 or £12,000, 2 per cent on the balance, with some agents taking the 2½ per cent scale up to £15,000.

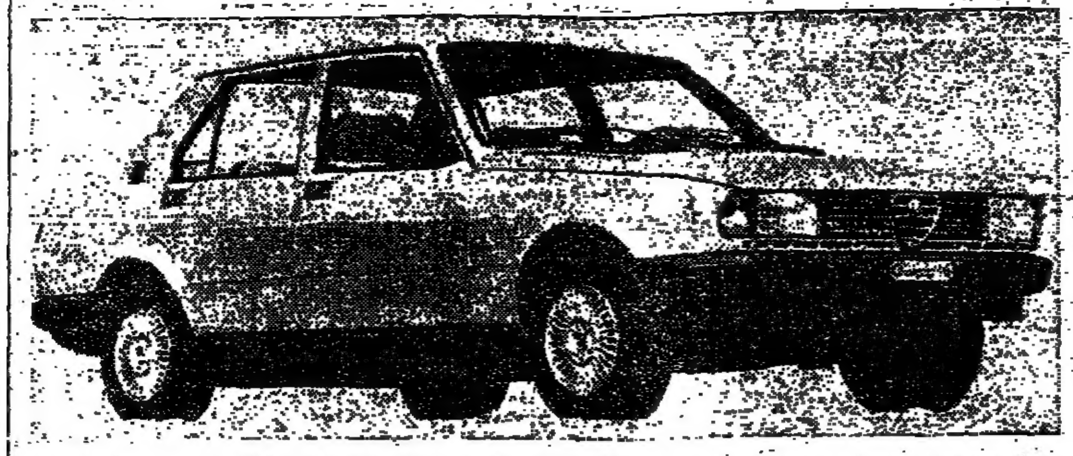
To sum up the situation, I feel I can do no better than quote John Story, who for the past three years has written An Estate Agent's Diary in the Chartered Surveyor.

"I wonder too about the service that appears to be given by many estate agents where more attention is paid to the applicant than the vendor. A great deal of energy and effort is spent trying to secure the right property for a prospective purchaser, and more consideration is seemingly given to his interests than it is to those of the client. It is an understandable oversight in a competitive world, but it cannot be condoned. An agent is beholden to no man except the one who instructs him — and pays his commission."

Surrey-style Georgian: This late thirties Georgian-style house has four reception rooms, four bedrooms, two bathrooms and an indoor swimming pool. At Knott Park, Oxshott, Savills is looking for offers around £200,000.

RESIDENTIAL PROPERTY

MOTORING



Two Alfa Romeo models just released in the UK are ideal for business motorists who don't mind admitting they thoroughly enjoy their driving. The Guilietta 1.8 (top) has 122 horsepower under the bonnet instead of the 1.6 litre car's 109 and it shows in quicker acceleration (1.4 seconds off the standing kilometre) and a pleasingly lazy flexilibity in town. It will do 75 mph in third, 100 mph in fourth and the harder you drive it, the better the five-speed shift feels. A 112 mph maximum is claimed.

The ride is buoyantly comfortable and the handling disciplined. The Guilietta 1.8 costs £5,165, the same as the 1.5 Alfasud Sprint Veloce. This delicious car, despite its front wheel-drive and "boxer-motor," feels the most traditional Alfa made for years. Its steering, roadholding and thoroughbred responsiveness would make any sports car buff bubble over with enthusiasm.

Power output is up from 85 hp to 95 hp due to the use of twin double-choke carburetters. Performance is virtually identical with that of the 1.8 Guilietta but the feel is tauter and more "muscular."

Rust and the thinking driver

BY STUART MARSHALL

FOR MOST motorists planning to keep a new car for more than three years, rust remains public enemy number one.

Cars are, of course, better corrosion protected than they used to be. But, while they continue to be made from wafer thin mild steel, pressed into elaborate shapes and then welded into a box, they will be liable to rust in the presence of moisture and air.

Last March, Volkswagen took a lead and announced a six-year anti-corrosion warranty for all new VW and Audi cars, subject to certain conditions, including inspections at two- and four-year intervals. Porsche and Rolls-Royce have six-year and three-year anti-rust warranties respectively for certain parts of their cars. Fiat, after a bad spell of corrosion problems, offer two years protection against rust on painted body surfaces.

Other car makers, BL Cars included, fit plastic shields under the wheelarches of some models to prevent stone chipping from paving the way to rust.

This week, Ford joined in. It announced a new multi-stage anti-corrosion treatment was being applied to all their European-made cars and said it would "significantly prolong the useful life of bodywork."

Existing warranty trems are unchanged. Ford says it has always dealt generously with rust claims arising from proven manufacturing defects. It thinks long-term anti-corrosion warranties of necessity have too much small print to be practical or meaningful to the average car buyer.

The Ford treatment consists of better cleansing of body shells before painting; injecting wax into body sections through holes which are then plugged and sealed; and spraying a heavy coat of plastic material on to the most vulnerable underbody parts.

Despite this flurry of anti-corrosion activity by the car makers, the rustproofers who treat cars post-purchase report no fall-off in business. Quite the reverse, in fact. Bodyshield, latest entrant to the field, estimates that 20 per cent of all new cars are given one or other of the proprietary treatments, mostly before being delivered to the customer.

In essence, all the treatments are similar. At Bodyshield's Abingdon HQ last week I saw he first V-registered cars being dealt with. Three chemicals (all supplied by Castrol) are used. First, an almost transparent sealant is sprayed into all box sections and doors and on to inner sheet metal panels. Next, a thicker black sealant goes on the entire underside, brake pipes and fuel tank included. Finally, a thin and highly penetrating compound is applied to all external press seams and welds where two dissimilar metals are in contact and thus particularly prone to corrosion.

Predictably, all the companies reckon their particular process is the best.

At the moment, Bodyshield says it alone reminds customers of the free inspections needed to sustain the six-year warranty's validity. They claim only 10 per cent of "unprompted" rustproofing warranty holders turn up even for their first inspection. Bodyshield maintains its rivals offer 10 or more years of warranty protection secure in the knowledge that virtually no customer will hold a valid one after three or four years because they will have skipped the necessary inspections.

I take no sides in this matter. I must, however, confess that none of the four cars I have had rustproofed (not by Bodyshield) in the last 15 years was ever taken in for an inspection. Another plus claimed by Bodyshield is that its process is cleaner. Even its stickiest body-underside compound has no nasty fall-out so that the operator has every reason to do a proper job instead of trying to get-out-from-under as quickly as possible. One of his best rustproofers is a girl in her 20s, wielding an expert spray lance for two years now and still preferring it to her previous four years in a bank.

Is rustproofing worthwhile or is it a belt-and-braces kind of extravagance? If you sell a car at two years old, I doubt its value. But if you keep a car longer, it probably is a good investment. Having sold my last four cars privately, I can only report that all buyers were impressed both by the lack of corrosion and the professional rustproofer's sticker on the back window. And I like to think this was reflected in the prices I obtained.

Most of the rustproofing processes cost about £100 for a typical family-sized car.

هكذا من الأصل

TRAVEL

Montenegro: church in Kotor and street market. Pictures, Trevor Humphries.

Visiting unspoilt Montenegro

THE ONE heartening thing that came out of the wretched tragedy of the Montenegrin earthquake in April was the immediate response and help which came from all corners of the world and, above all, from all corners of Yugoslavia. Within a few weeks of the disaster, a good proportion of the tourist amenities were functioning again and, by now, about three-quarters of the hotel beds should be available for occupation.

The big problem facing the Yugoslavs of course (apart from the obvious ones of economic and personal losses) is to what extent and how soon the tourists will come back. Natural disasters are notable for their long-term effect on rational thought. The fact that the forces of nature, though unpredictable rarely strike twice in rapid succession in precisely the same place is not one usually taken into consideration by most people planning a holiday.

Montenegro is a particularly splendid and largely unspoilt corner of Yugoslavia. The area most affected is the 80-mile stretch of coast, and the built-up areas most badly damaged are the old districts of Kotor, Budva and Bar. This is a cultural tragedy, too, for they are stuffed with ancient buildings and art treasures from Montenegro's stormy past. But most of the modern hotels and the best beaches start from the outskirts of Budva and continue along a series of bays to the south, including resorts such as Becici, Milocer, Sveti Stefan (a luxury conversion of a fishing village into a holiday centre), Sutomore and, down near the Albanian border, Ulcinj close to which is the longest beach of all.

It's Montenegro's stormy past which provides a lot of the fascination. That, and the quite astonishing landscapes which contributed so much to moulding it. For up to 500 years, most of the southern half of present-day Yugoslavia was absorbed into the Ottoman Empire. But the Montenegrins, who should have been absorbed too, retired into their raw, rugged mountains from which they descended periodically to do bloody battle with the enemy and those of their own brethren who had succumbed to conversion. The clan feuds which resulted were tragic and terrible, but most Montenegrins retained their independence under a series of Prince-Bishops. The most famous of these was the poet-reformer Petar II Petrovic Njegos.

Along the coast, the Ventians, Austrians and Turks came and went, but inland Montenegro soldiered on in its independence until the Yugoslav Kingdom was formed in 1919.

Because of the predominant interest of holidaymaking humanity in beaches, most (some would say too much) of the developments have been coastal and it is only quite recently that due attention has been given to the fabulous interior. Mountains and canyons—likened to those of Colorado—are its main features, harbouring a pastoral way of life that has not yet been much contaminated by the jet age. You can get a very good idea of the potential from the recently completed railway linking Bar on the coast with Belgrade. This bores through a seemingly impenetrable barrier of mountains by means of scores of tunnels and bridges, making it one of the most impressive scenic rail routes of the world, and an astonishing engineering feat into the bargain.

Of the main towns, Titograd is the capital—largely destroyed in thet last war and therefore modern rather than characteristic. Cetinje is the former capital, and one approach to it is by a truly extraordinary road: an endless succession of hairpin bends twining up near-sheer Lovcen mountain from the Bay of Kotor. Here was the seat of the Prince-Bishops, here most major powers had their embassies, and here Montenegro's history is contained in some charming museums.

But to sample pastoral Montenegro, I recommend Zabljak, the most developed inland resort set in the spectacular lake-studded mountains of Durmitor, whose highest point is over 9,000 feet.

The term "most-developed" is relative, for this is still a small resort, with three hotels (one of which is very new), private accommodation, a handful of shops and some sports facilities scattered among the high mountain pastures and forests. It is a place for walkers, for naturalists, for seekers of the untrammelled, from which you can visit unique shepherd communities and do rugged excursions by jeep, or horseback or on foot.

You reach Zabljack by another remarkable road climbing high along the Tara canyon which, in places, reaches a depth of over 3,000 feet. It is the most famous of several awesome canyons in the area, and provides the setting for one of the most memorable excursion possibilities of all: a five-day rafting trip along its tumbling waters. A minimum of 10 persons is necessary and accommodation is in tents; but all equipment, food, wine and, of course, expert navigators are provided for this adventure which is far removed from any beaten track or, indeed, from any holiday experience most of us have had.

SYLVIE NICKELS

Further information: Yugoslav National Tourist Office, 143, Regent Street, London, W1. Holidays in Zabljak are featured by Yugotours, 150, Regent Street, London W1R 5FA and 18/20, Booth Street, Manchester M2 4AN.

Your Weekend £: Austria 29.30, Belgium 67.0, France 9.37, Italy 1790, Greece 79.0, Spain 145.0, Switzerland 3.64, U.S. 2.2275. Source: Thomas Cook.

Watchers watched

ONE OF the great national pastimes in China is people-watching. Even in Kwangchow (Canton), Peking and Shanghai, which receives large numbers of foreign businessmen and increasingly numerous gaggles of tourists, staring at foreigners is a highlight in a Chinese day.

It can be an unnerving experience for the timid visitor, but one has to accept that the Chinese consider the right to stare at something which strikes them as bizarre or captivating as natural as burping after a particularly fine meal.

By way of encouragement to the timid let me explain my supreme moment of embarrassment. It happened at a Peking theatre. My tour group arrived and, being at the front, I entered the auditorium first. Four thousand Chinese rose to their feet and applauded me as I walked down the central aisle for 40 yards until I sank—a mental wreck—into my seat in the front row. They may not smile as readily as some races, but there is no denying that the Chinese are polite.

They treat tourists with respect, and in return expect visitors to be sober, punctual for meals and excursions, and relaxed. There are no opportunities for tourists to wear diamond tiaras, mink coats or dinner jackets: everything is informal.

When I first visited China during the era of Mao's supremacy, tourists were carefully selected from the outside world and treated to lengthy political homilies. Now, China — along with almost every country in the world — wants tourists. The doors to the former Celestial Empire are open, yet it is surprising how many British people think they may never be allowed out again. With respect, what qualities can most of us possibly have that the Chinese cannot find among their own 900m people?

Since Mao's death the China Travel Service (CTS) has relaxed the stringent entry requirements and grants hundreds of tourist visas every day at their offices in Hong Kong. A tour booked in Hong Kong is a grand mystery tour; the client chooses a date of departure and a route itinerary. For instance, 12 days in Kwangchow, Shanghai, Peking and Hangchow, or a four-day trip to Kwangchow, but he will not know anything about what he will do in each place until he arrives there.

To save queuing at the crowded CTS counters, I booked a tour which included Kwangchow and Peking through the travel office at the Peninsula hotel where I was staying. They arranged my visa and travel formalities through the CTS in a day, an example of the super efficiency one expects, and gets, at a top Hong Kong hotel.

My travelling companion on the air-conditioned train from Hong Kong to Kwangchow explained to me how he had been "chosen" the leader of our group of 30. After being taken aside by the CTS officials in Hong Kong and evaluated for his "energy, competence and reliability," as tour leader his sole task was to hand over our group visia to the authorities in China. An electrician from Australia, he had in his care a top drug squad cop from Los Angeles, three firemen, housewives, writers, bankers and doctors, almost all Americans.

Kwangchow in the summer is humid and wet. At our hotel, the Paiyun, Coco-Cola is sold for cash payment in Hong Kong dollars—two dollars for a can and three for a bottle. Our rooms were basic and clean, with electric fans to replace the hotel's broken-down air-conditioning unit. The Chinese are aware that comfort-loving creatures from the West need more luxurious rooms than they can provide, so this summer they despatched a delegation to Hong Kong to study the opulent Mandarin Hotel. They photographed the public areas, bedrooms and lavish suites of the Mandarin. It remains to be seen whether they could evej transfer a Hong Kong success story to the Chinese mainland.

Our 16-course banquet at the Baiyuan restaurant in Kwangchow was magnificent: a whole roast suckling pig for each table of ten, smoked fish, lotus root croquettes, winter melon soup served in the hollowed-out melon, chicken with aniseed, crab in ginger sauce, and many more dishes accompanied by generous supplies of rice wines, beer, and a strong spirit made from sorghum grain.

In Shihchiachuang we were permitted to watch operations performed under acupuncture anaesthesia while the patients remained awake throughout. Occasionally, the Chinese authorities will permit changes from normal schedules if special requests are made, and doctors in our group had asked to visit a hospital. The patient who had a goitre removed rose from the operating table immediately, shook our hands, and walked composedly to her ward. One woman in our group fainted clean away.

The faces of China: people watching and being watched, are activities very much a part of Chinese tourism.

Our itinerary in Peking included a visit to the Ming tombs. The tombs themselves are empty of everything save tourists and statistics about their construction. From a photographic point of view it is the avenue to the tombs which is picturesque. Here, magnificent warriors, lions, griffons and other mythical beasts carved from single lumps of stone line the avenue on two sides. And, of course, all tourists are taken to the Great Wall where, like thousands of Chinese around us, we had a picnic lunch. For the stalwart, one section of the Wall is a challenge to gravity for the gradient is one in two, but by advancing sideways you can just about emulate the natural gait of a tarantula.

All tours include visits to Chinese homes, schools, communes (farms), shops (the Friendship stores in Peking and Shanghai are laden with antique and modern Chinese arts and crafts, but the Kwangchow branch is poorly stocked), outings to local beauty spots which may include Buddhist shrines, and visits to porcelain or silk workshops or other craft centres.

The Shanghai itinerary usually includes a visit to a children's palace where talented young people learn to play musical instruments, mushroom growing, woodwork, ivory carving, and even acupuncture. It is here that you are likely to be challenged at table-tennis by a six-year-old and soundly beaten.

Taxis are cheap and can be booked for the day, or half-day, at the hotels, and although an itinerary is always crammed full of activities tourists are free to leave the group and sightsee by taxi or public transport, or on foot. One evening I took a taxi to Kwangchow's culture park to see Chinese families relaxing and watching basketball tournaments, folk dancing and music from the provinces, films, plays and acrobats. At a chess game the moves were repeated on giant screens above the players' heads for the benefit of crowded spectators many of whom were licking delicious coconut ices.

It is easy to get the impression that millions of Chinese in the cities are unemployed for the streets, shops and restaurants are constantly crowded. Workers have only one day off a week but that day is staggered, which means that everywhere there are always hordes of Chinese free to pursue their leisure activities.

The Chinese often express their friendship greetings to tourists by clapping, and it is rude not to reply in the same manner. Even, as it happened to me, when a little girl stood outside my doorless privy in a commune near Peking and clapped me. Thoroughly abashed I tried to return the compliment, but left the building with my mission unaccomplished.

Travel arrangements: British Airways have daily services to and from Hong Kong. Regular 747 services between London and Peking via Hong Kong are to begin in April 1980. The China Travel Service is at 77 Queen's Road Central in Hong Kong and there is a branch at 27 Nathan Road in Kowloon. Tours range from four to 16 days from HK$1,100 to HK$6,250. The tours are also bookable at the travel service of the Peninsula hotel at some extra charge.

LAILAN YOUNG

Skilled Karpov

CHESS
LEONARD BARDEN

CHESS experts and would-be rivals have been keenly watching Anatoly Karpov's play since last year's world title match in Baguio to see if any of the weaknesses which the champion showed so unexpectedly in the second half of the series against Korchnoi will reappear in later events.

With rare lapses, Karpov has so far disarmed potential critics. His play in the Munich tournament (where he had to withdraw early because of his father's death) and in the Montreal World Cup were up to his best standards, and Karpov scored an even more sovereign victory in the Max Euwe Cup in Holland to which I referred briefly in an earlier article.

Final scores in this four-man grandmaster mini-tournament were Karpov 5 out of 6, Kavalek (U.S. champion) 3, Hort (Czech) 2½, Sosonko (Holland) 1. The other three players won only one game between them while Karpov marshalled his strategy with impressive control.

His most interesting win illustrated a recurring chessboard theme—how to combine attack and defence when the players castle on opposite sides and start a pawn advance.

White: A. Karpov (USSR). Black: G. Sosonko (Holland). Opening: Sicilian, Richter Attack (Euwe Cup 1979).

1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, PxP; 4 NxP, N-KB3; 5 N-QB3, N-B3; 6 B-KN5, P-K3; 7 Q-Q2, B-K2; 8 0-0-0, 0-0; 9 N-N3, Q-N3; 10 B-K3, Q-B2; 11 P-B3, P-QR3; 12 P-N4, P-QN4; 13 K-N1.

Up to here the opening is theory, but earlier games continued 13 Q-B2 or 13 P-N5, aiming directly at attack. Experience showed good black counterplay against both moves, hence Karpov aims to consolidate his king position before advancing further.

13 . . . N-Q2 (a more direct and perhaps better plan is P-N5 and P-QR4-5 followed by B-QR3); 14 P-B4, N-N3; 15 Q-B2, N-R5; 16 N-K2! (avoiding exchanges; the black knight at QR5 appears well posted but hinders the advance of its own pawns), B-N2; 17 B-N2, QR-B1; 18 N(2)-B1, P-N5; 19 P-N5, KR-K1.

Black evidently feared that an immediate KR-Q1 might allow a later B-N6, but as shown on move 25 this is loss of time.

20 P-R4, N-R4; 21 NxN, QxN; 22 N-N3, Q-B2; 23 P-R5 (now Karpov is poised for the break P-N6 opening up the black king, while Black's counterplay has produced no direct threats), P-R4; 24 KR-K1, B-B1; 25 B-B3, KR-Q1; 26 P-N6! RPxP; 27 PxP, PxP; 28 R-KN1, N-B4; 29 NxN, PxN; 30 RxR, RxR; 31 RxP, Q-B2; 32 R-N1, P-B5.

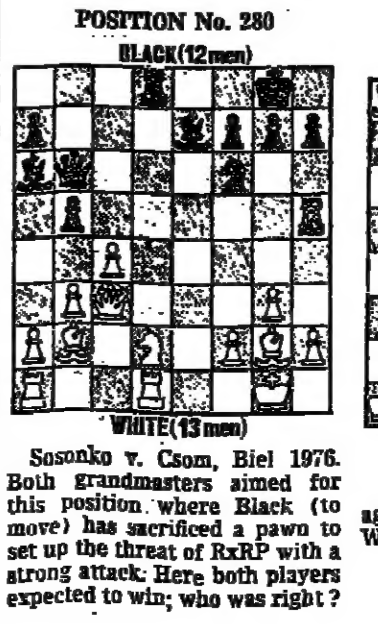
Despite exchanges, Karpov is ready for a winning attack on the KR file, while counterplay is now blocked by Black's own pawns.

33 R-R1, B-K2; 34 Q-R2, K-B1; 35 Q-K2! (winning a key pawn, for Black has to stop R-R8 ch), K-N1; 36 QxP, R-QB1; 37 Q-N5, B-Q3; 38 Q-N5, Q-B2; 39 Q-N6! QxP ch; 40 K-R1, Q-B5 and Black overstepped the time limit. Black could just as well have resigned, for 41 B-N4 wins at once.

Karpov lost only one game (to Larsen) out of 25 played in Munich, Montreal and the Euwe Cup. But everyone tries to play the game of his life against a world champion, and in the first round of the USSR Spartakiades last month some one succeeded. The little-known young master I. Ivanov, who lost to England's David Goodman in last year's World Youth Championships, beat Karpov in brilliant tactical style.

POSITION No. 280

BLACK (12 men)



WHITE (13 men)

Sosonko v. Csom, Biel 1976. Both grandmasters aimed for this position where Black (to move) has sacrificed a pawn to set up the threat of RxRP with a strong attack. Here both players expected to win; who was right?

PROBLEM No. 280

BLACK (2 men)

WHITE (11 men)

White mates in two moves, against any defence (by P. H. Williams).

Solutions Page 12

LEGAL NOTICES

No. 002122 of 1979
In the HIGH COURT OF JUSTICE Chancery Division Mr. Registrar Hunt. In the Matter of PYE HOLDINGS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that by an Order dated the 3rd day of August 1979 made in the above matters the Court has directed a Meeting of the holders of the Ordinary Shares of the above-named Pye Holdings Limited (hereinafter called "the Company") (other than those beneficially owned by Philips Electronic and Associated Industries Limited) to be convened for the purpose of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and the holders of its said Ordinary Shares (other than aforesaid) and that such Meeting will be held at the Hyde Park Hotel, Knightsbridge, London, SW1 7LA on Tuesday the 4th day of September 1979 at 12.00 o'clock noon at which place and time all such Shareholders are requested to attend.

Any person entitled to attend the said Meeting can obtain copies of the said Scheme or Arrangement forms of Proxy and copies of the Statement required to be furnished pursuant to Section 207 of the above-mentioned Act at the Registered Office of the Company situate at Abacus House, Gutter Lane, London, EC2V 8AH and at the offices of the under-mentioned Solicitors at the address mentioned below during normal business hours on any day (other than a Saturday Sunday or public holiday) prior to the day appointed for the said Meeting.

The said Shareholders may vote in person at the said Meeting or they may appoint another person whether a Member of the Company or not as their Proxy to attend and vote in their stead.

It is requested that forms appointing Proxies be lodged with the Registrars of the Company, Baring Brothers & Co., Limited Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4UJ not less than 48 hours before the time appointed for the said Meeting but if forms are not so lodged they may be handed to the Chairman at the Meeting.

In the case of joint holders the vote of the senior who tenders a vote whether in person or by Proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the Register of Members of the Company.

By the said Order the Court has appointed George Edward Peter Baron Thorneycroft of Dunston or failing him Rupert Mackworth Arthur Jones or failing him Clifford Leach to act as Chairman of the said Meeting and has directed the Chairman to report the result thereof to the Court.

The said Scheme of Arrangement will be subject to the subsequent approval of the Court.

Dated the 8th day of August 1979
Slaughter and May,
35 Basinghall Street,
London, EC2V 5DB.
Solicitors for the Company.

IN THE MATTER OF
TIONASTON LIMITED
AND IN THE MATTER OF THE
COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 11th day of September 1979, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned PHILIP MONJACK, FCA of 3/4 Bentinck Street, London W1A 3BA the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 31st day of July, 1979.
PHILIP MONJACK
Liquidator

LEGAL NOTICES

No. 001486 of 1979
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
FRASER ANSBACHER LIMITED
and
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated the 30th day of July 1979 (inter alia) confirming the reduction of the capital of the above-named Company from £10,000,000 to £4,441,250 and the Minute approved by the Court showing with respect to the capital as altered the several Particulars required by the above-named Act were registered by the Registrar of Companies on the 3rd day of August 1979.

Dated the 11th day of August 1979.
LINKLATERS & PAINES,
Solicitors to the Company.

Fire in his belly

BY C. P. SNOW

John Wesley by Stanley Ayling. *Collins, £7.50. 350 pages*

Stanley Ayling has written a fine biography of one of the most remarkable of Englishmen. It is, like Ayling's books on the elder Pitt and George III, wise, witty, alive with human understanding. All those qualities were needed to cope with John Wesley. He had nearly all the gifts of a great political leader. Physically he was a little man. In other respects he was larger than life—in courage, intensity, adamantine will, energy, absolute ruthlessness about others' feelings.

Ayling is too judicious to make, or even endorse, the more extravagant claims for him, but just states that he was the single most influential Protestant leader of the English-speaking world since the Reformation. It would be foolish to argue with that. And yet, this brilliant biography doesn't seem to have aroused much interest, let alone controversy. Perhaps that tells its own tale of the low spirits of contemporary Protestantism.

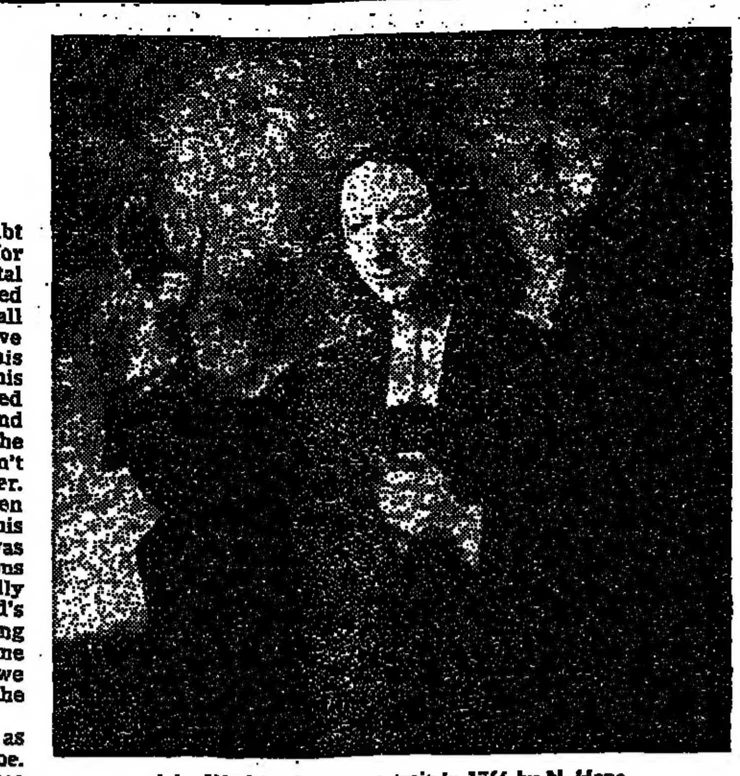
John Wesley was born in 1703. His father was a clergyman, impoverished but genteel. Trollopians will find a good many resemblances to the circumstances of the Reverend Josiah Crawley a hundred and fifty years later. Mrs. Wesley's father was a dissenting minister, who had sired twenty-five children. Her own family was more modest, only nineteen. It was standard form for the time that more than half of all these children died in infancy. Mrs. Wesley was a woman of formidable character and intellect, well educated, entirely capable when John was middle-aged of grappling with him in theological disputations.

There are those who cherish a belief that class differences and class accents are a modern invention. It might disabuse them to learn that, in this poverty-stricken Lincolnshire rectory, Mrs. Wesley worried acutely about her children picking up the local accent. They didn't. John and his brother Charles were always accepted as what Trollope would have called gentlemen wherever they moved in mid-Georgian society.

It is perhaps a little surprising that both the Wesley parents had become high-Anglicans and high-Tories. Whatever the effects of his own mission were, John Wesley himself remained so until the end of his long life, (he died at eighty-eight). He may have disrupted the Church of England more than any man before or since: he continued to regard himself as an Anglican priest. He spent much time among the poor: he was happier with them than with the well-to-do. He wanted to save their souls and incidentally help their physical miseries. Nevertheless, he stayed a passionate anti-democrat in politics, though spiritually he was as egalitarian as St. Paul.

None of that is as paradoxical as it sounds. He believed in what he taught. He believed in eternal salvation and eternal damnation—both, so it seems, though it is hard for a late-twentieth century person to imagine, in the most concrete terms. That is, he had no doubt about hell-fire, and hell-fire for ever. With the same total absence of doubt, he believed that he was the man to show all human beings the way to save themselves from hell. This certainty crystallised in his early thirties. He realised that he had complete command over an audience, the larger the better. Don't think he didn't enjoy exercising that power. Preaching the message to ten thousand people in a field (his favourite scene of activity) was a joy. On paper, the sermons don't sound hysterically dramatic as George Whitefield's do. But there is convincing evidence that he had supreme histrionic gifts. He had, as we should now say, mis-using the word, charisma.

The message was simple, as all mass-messages have to be. It meant a complete severance with the Calvinist doctrines implicit in Protestantism. He quarrelled fervently with his Calvinist friends, such as Whitefield. He repudiated predestination. On the whole, the Calvinists had the better of the theological argument. Wesley didn't pay attention to the philosophical difficulties of the concept of free will. He just proclaimed that any man, any human being alive, had the possibility of redemption. Simply by faith (there were other difficulties about the meaning of faith, but those too he swept aside). Faith, repentance, conversion, being born again. It was simple, as convincing to those who had nothing else to hope for as St. Paul's news of the Resurrection. On a smaller scale it had a similar effect.



John Wesley—from a portrait in 1766 by N. Hone

To preach it, he travelled thousands of miles a year, mostly on horseback, presiding over his morning service at 5 am, preaching two or three times a day, until he was in his late eighties. It was a feat of endurance beyond the powers of any normal man. He was untirable, didn't mind where he slept or what he ate, driven on by his passion. He recruited followers who taught as he did, though not with the same daimon. He was an excellent administrator, like other great popular leaders. He invented a system of authority. Almost without realising it, he invented a new church.

Ayling presumably couldn't compete with John Wesley in sheer physical activity, but he is doing pretty well. He has had an honourable career as a schoolmaster, retired at the appropriate age, and then settled down to write biographies which have satisfied historians and given delight to readers who aren't historians. One imagines that he was thinking about these books during his scholastic years. He can't have casually adopted writing as a retirement hobby. But it shows again that it is possible to enter the literary scene at a relatively advanced age, and become an unqualified success.

When a prime minister was dismissed

BY ZARA STEINER

Matters For Judgment. An ***Autobiography by Sir John*** **Kerr. Macmillan. £8.95, 468 pages**

The Truth of the Matter by Gough Whitlam. Penguin Books. £1.25, 191 pages

These two books will not enhance the reputations of their respective authors. Both, particularly that of Mr. Whitlam's, descend to a level of personal polemic which can only raise doubts about the quality of Australian politics.

The former prime minister's two page list of paintings from the Australian National Gallery hung in Sir John Kerr's Government House is only a mild illustration of the kinds of details used to illustrate the Governor General's vice-regal tastes and behaviour. Sir John Kerr's half-biography, half-defence, while containing a fascinating account of his rise from boilermaker's son to Chief Justice of New South Wales, provides too many targets for Mr. Whitlam to hit.

The events which led up to Sir John's dismissal of the Australian Prime Minister on November 11, 1975, will long interest constitutional lawyers and historians of the Commonwealth. The Labour Party, after 22 years in opposition, won a majority in the House of Representatives both in 1972 and 1974 but did not win the Senate. Malcolm Fraser, the newly created leader of the Liberal Party used his Senate majority to refuse Supply by deferring a vote on the Appropriation Bills. According to the Australian Constitution, the Senate cannot amend or initiate Money Bills but lays no prohibition against delay or rejection. Since Federation, however, no senate has rejected a money bill at the federal level.

It seems to have been Mr. Fraser's purpose to deny Supply so that the Labour Government would be forced to hold a new election for the House of Representatives. Whitlam refused to resign or to agree to a double dissolution and was preparing to raise funds through extra-parliamentary means, to meet the Government's financial needs when Supply ran out. He did agree, on November 11, to a Senate half-election but under conditions which Fraser rejected and hence had no assurance of even a temporary grant of funds.

The Governor believed that neither side would back down from their declared positions and that Whitlam's determination to govern without Supply had turned the political crisis into a constitutional one. Since the Prime Minister refused to go to the people, Sir John using the reserve powers of the Governor-General withdrew his commission and appointed Mr. Fraser as caretaker prime minister. The blocked Supply bills were passed by the Senate, both Houses of Parliament were dissolved and an election took place a month later in which Malcolm Fraser and the coalition were returned with a considerable majority.

No one but a constitutional lawyer (and both Kerr and Whitlam were lawyers) can speak with authority on the question of the Senate's rights and Sir John's use of the reserve powers of the Governor-General. *Judging from these* books and articles in the British Press, Sir John seems to have interpreted the constitution correctly and to have rightly returned power to its rightful source — the Australian electorate. There continues to be a considerable debate about the Australian constitution and there is a sizeable group in Australia who share Whitlam's feelings that there is no room for the Governor-General in an independent, democratic State. Though it is the constitutional issue and the role of the Crown which makes this affair significant, these two accounts show that there was a political and personal dimension to the crisis which can hardly be ignored.

Whitlam contends that this was a political crisis which he could have solved through political means; he suggests a measure of collusion between Sir John and Mr. Fraser; he accuses the former of deceiving the Government by never disclosing his concerns or possible future course of action, failures which he attributes to Sir John's exaggerated conception of the importance of his office and the benefits he derived from it. For his part, Sir John argues that Mr. Whitlam was prepared to act unconstitutionally, that the Government's plans to raise money were legally dubious and not really practical and that if he had not acted there would have been a major financial and social crisis in Australia.

Mr. Whitlam provides no concrete evidence for his collusion thesis. There is, however, a great deal of material in both these books that leads one not to question Sir John's constitutional powers but the way he interpreted them. He underlines his belief that it was the Governor General's responsibility to remain strictly neutral and not to act as a mediator between party leaders. It does seem, however, that Sir John was exceedingly loth to express his doubts about the legality of the Government's actions, either during the loan affair of December 1974 (which later became a political cause célèbre) or about the prime minister's proposed course of action in the autumn of 1975. There was a growing gap between the two men, influenced, no doubt, by Sir John's feelings about the loan affair, which leads one to question his professed neutrality.

If Mr. Whitlam never questioned the Governor General about his future intentions as the supply crisis developed, Sir John never volunteered his views because, as he clearly states, he feared that Whitlam would dismiss him if he thought that Sir John was contemplating withdrawing his commission. Sir John's fears (which Mr. Whitlam naturally insists were totally unfounded) explains the undignified manner in which the prime minister was dismissed, with all the papers prepared beforehand and with Fraser waiting in the ante-room. Sir John's doubts about the conduct of the Labour government and his fears of a "race to the Palace" throw considerable light on his reluctance to offer advice or even to ask pertinent questions at the crucial moment.

Mr. Whitlam's account of his own intentions leaves too many unanswered questions. Quite apart from the inclusion of irrelevant details about Sir John's style of life, there are contradictions of fact with regard to place, time and content of conversations which suggest that one man's memory must be fallacious.

There are also strange omissions. Mr. Whitlam writes that public opinion during the supply crisis was shifting in his direction (a claim which substantiates Sir John's contention that he thought the Labour Party might win the next election) but he never mentions the fact that his party was decisively defeated at the ballot-box thereby vindicating Sir John's course of action. Despite the ugly personal attacks on the governor general in the weeks after the election, the verdict of the electorate was a clear one.

Moreover, it is hard to believe that Mr. Whitlam, an experienced lawyer and a shrewd politician was as naive or as *innocent as he suggests.* Given the vast amount of public discussion and his own negative observations of Sir John's conduct in the period before November 11, did he really not consider the possible use of the governor-general's reserve powers? *Did he count too* heavily on Kerr's affection for his office or was he caught off balance by the speed of the governor-general's action? There is little doubt that he hoped to cripple the senate and defeat Fraser and that he counted on Sir John's acquiesence; some of Sir John's fears and assumptions were more solidly based than Gough Whitlam concedes.

The discussion will go on. Hopefully the constitutional debate will shed some of the nastier personal polemic which has so far characterised much of the Australian writing on this subject. *Quite apart from showing* why there was a major constitutional crisis in 1975, these two books throw an all too clear light on the flavour of Australian conflict.

Stubborn French humanist

BY JEFFREY MEYERS

Albert Camus by Herbert Lottman. Weidenfeld and Nicolson, £12.50. 753 pages

Camus (1913-60) made brilliant use of his inauspicious origins. He was born in a working-class district of Algiers, the son of an illiterate mother and a father who was killed on the Marne before his infant was a year old. He grew up in poverty, contracted TB (which plagued him throughout his life), married a woman who spent most of her time in hospitals and rest homes.

Yet he was also inspired by the Mediterranean sea and sunlight: maintained the nourishing friendships of his youth; fought for Moslem rights and never withdrew from the Algerian crisis—though it tore him apart. His poverty gave him a lifelong commitment to the oppressed; his disease made him live with feverish intensity; the illness of his first wife led to a second marriage and to a sequence of love affairs, many of them with actresses who starred in his own plays.

Helped by his uncle, a butcher with literary tastes, Camus earned degrees in literature and philosophy, and began his career as a journalist, actor and director. His first book was published in Algiers in 1937, at the time of his decisive break with the Communist Party, but his major works were written during the war. While working for his publisher, Gallimard, and for the French Underground, Camus conceived three books in different genres on the theme of the Absurd: *The Stranger*, *The Myth of Sisyphus* and *Caligula*. These were followed by a second, and even more impressive triptych: *The Plague* (an allegory on the Nazi Occupation), *The Rebel* and *Cross-Purpose*. (The latter was performed in 1944 between the Normandy landings and the Liberation of Paris.) During the war Camus also became the editor of the Resistance newspaper, *Combat*, and earned the affection and respect of Gide, Malraux and Koestler.

Sartre's long essay on *The Stranger* established Camus' reputation in 1943 and led to a friendship that included all-night drinking bouts and brought out the charming "Algiers roughneck side" of his character. Their inevitable rivalry also involved fierce political polemics. After a savage review of *The Rebel* in Sartre's *Temps modernes* in 1952 ended their relationship, Camus felt wounded and betrayed. Sartre's personal rejoinder to Camus' counterattack criticised his character as well as his later realism and optimism. Camus, who avoided organised politics and the massive rallies that Sartre enjoyed, rightly felt Sartre tolerated and even justified Communist oppression.

Camus' last important work, *The Fall*, contained a mocking self-portrait and reflected the paradoxical dilemma of his final years. As his fame and influence grew, he found himself unable to write and suffered extreme depression. Like Beckett, he devoted the last phase of his life to translations and the theatre; and had a notable success with Faulkner's *Requiem for a Nun*. He won the Nobel Prize in 1957, while still suffering from artistic sterility. In 1960, when he was killed in a car accident—caused by a blow-out or a broken axle—France lost its greatest writer since Proust and Gide.

This first biography, which did not appear until 20 years after Camus' death, provides a striking contrast to his terse, lucid and elegant style. Camus believed that "the true work of art is the one that says less." Lottman narrates the life with an obsessive thoroughness that is both exhaustive and exhausting. Though competent and complete, the book is repetitive, clumsily written, clogged with pedantic details. It fails to synthesise the facts, and to present a meaningful pattern in the life.

When Camus died, Malraux said his work was "inseparable from the obsession with justice." Sartre also paid faithful tribute and wrote: "His stubborn humanism, strict and pure, austere and sensual, delivered uncertain combat against the massive and deformed events of the day." Though Camus was unable to fulfill his rich potential, his contemporaries recognised his impressive integrity and idealism (he resembled Orwell in this and in other respects), and saw that he represented an extraordinary conjunction of person and place, *action and art.*

Fiction

Hawk man flies again

BY MARTIN SEYMOUR-SMITH

The Lords of Akchasaz: Murder in the Ironsmiths Market by Yashar Kemal. Translated from the Turkish by Thilda Kemal. Collins and Harvill Press, £6.50. 448 pages

The Beautiful Words by Mervyn Jones. André Deutsch, £4.95. 224 pages

America Made Me by Hans Koning. Gollancz, £5.50. 160 pages

Beltran in Exile by William Watson. Chatto and Windus, £5.95. 266 pages

The Dragon Can't Dance by Earl Lovelace André Deutsch, £4.95. 240 pages

This is the best novel from Yashar Kemal since his first, the famous *Memed, My Hawk*, which sold a quarter of a million copies in Turkey alone. It is the first part of a larger work, *The Lords of Akchasaz.* Although it is set, like most of his previous books, in his native Chukurova Plain, it breaks new ground in that it deals not only with humble characters, but also—and mainly—with two powerful enemies, two Beys, who carry the fate of their families, and dependents, on their shoulders.

Kemal was once a member of the Central Committee of the Turkish Workers' Party, which is now proscribed; he has suffered from continuous persecution and imprisonment. But his fiction does not really reflect his political preoccupations; in his books he deals with the Turkish reality—which is a painful one—in terms of an imaginative narrative. He is much less of a thinker than he is a storyteller. It is a pity that he should have been compared to Hardy and Tolstoy, since he resembles neither—he is most like, perhaps, Ivo Andric, the *Serbian novelist who won the* Nobel Prize for his epic stories of his country's past; but most of all he is like Yashar Kemal, Turkey's leading chronicler, who began as a public letter writer in a small town—and who found himself, quite suddenly, the most widely read novelist in his country, whose human (rather than political) conscience he embodies.

Murder in the Ironsmith Market is the very plainly told tale of how a blood-feud situation is modulated—but by no means alleviated—by social and industrial change. The style is unpretentious, but very solid—*it has the substance and the* colour of epic. And although exciting, it is not merely an adventure story: it demonstrates, by its fidelity to human nature, just how one bad thing (tribal enmity) can be made worse by what usually goes by the name of progress (*industrialisation*); it also shows how the Turks are being alienated from nature, whose balance is gradually being upset. We can learn more about the reasons for Turkey's plight from this than we can from newspaper reports or from most analyses—and yet this is a truly heroic novel. What it lacks in subtlety it makes up for in authenticity and passion; and Kemal is developing: beginning to purge his style of its superfluous romanticisms and lushness.

Mervyn Jones is at least a social, if not a socialist, realist. He is a man who has some sympathy for *Stalin (about* whom he wrote a long novel), and one who believes that the practice of capitalism is degrading (yes; but what isn't?). He is not, however, a doctrinaire communist, and simple-mindedness and idealism is a positive virtue in the best of his fiction (of which this, his eighteenth novel, is an example): believing in virtue, he can sometimes depict it.

Joseph, the Stalin novel, was a disaster because it lacked historical perspective; but it was courageous. *The Beautiful Words* is about an innocent boy who trusts everyone and is, to varying degrees, exploited by them. Jones's Tommy might well be seen as a metaphor for the honest idealists who join communist revolutions—only to be executed when they are taken into ownership by the men *they* fought for. His innocence is certainly what we should call corny; but there are many people like this, and Tommy is convincing.

Mervyn Jones has no illusions about the rough people he is writing about in this book, and there is much shrewd and often amusing comment (there is a character who feels that to offer a girl visitor a separate bed would be an act of discourtesy).

Hans Koning, who has shortened his name from Koningsberger in order (he once said) to make himself more accessible to his fellows in the "antiwar group" (I am not clear which one), is as genuinely concerned with society as are Kemal and Jones; but he is much more sophisticated. A Dutchman, almost exactly contemporary with Kemal, he lived for a long time in the U.S.; he now divides his time between there and London.

A Walk With Love and Death is probably the best known of his stark, rather dense and stifling novels. *America Made Me* is about a man who has been in all sorts of jobs, but is committed only to himself — until he learns that he wants to change the world. This is intelligent, but rather less convincing than Jones's novel — *even though* that is much more *simplistically* conceived — because it lacks humour and spontaneous feeling. There is plenty of passionate feeling, but Koning fails to persuade us that his drifting hero — who tells his own story — ever really changes himself, or that he is at all capable of changing the world. The last sentence is in fact "I am here to change the world." This is empty rhetoric, and what precedes it hardly fills the gap, so that it sounds silly and flat.

Beltran in Exile is a highly impressive and unusual historical novel by William Watson, whose first novel was *Better Than One*, a deliberately zany performance of great verve and tenderness. This is quite different. It has the terrible melancholy of Debussy's opera *Pelléas et Mélisande.* It is set in the 13th century, and is about the Templar Beltran, a soldier-monk who is driven into exile by the Moslem reconquest of the Holy Land. He is entrusted with the Templar treasure; ultimately he is left as the lone Templar, trying still to live by Templar precepts.

The novel is quite beautifully written, and its oppressiveness is perfectly justified. Although a magnificent tale in its own right, it has other dimensions: it is as though the author has looked back on some desolating and shattering experience of his past and determined to reconstruct it. This is no mere *historical entertainment*, but a study of inner life, of great beauty and wisdom, and containing much poetry and grim enchantment. It deserves treatment as a major achievement, and I hope it receives it.

Last but by no means least, Earl Lovelace's splendidly readable and energetic novel about his native Trinidad. In his two previous novels Lovelace — who is 44 — has had his eye fixed rather too self-consciously on *the problems of transition from* an agrarian to an industrial economy. Here he has wisely depended more on the speech habits of his characters, and on their vitality; the result is less didactic and more imaginative. The beginning is typical:

". . . Taffy, a man who say he is Christ, put himself up on a cross one burning midday and say to his followers: 'Crucify me! . . . Stone me with stones . . . I will love you still.' And when they stone him he get vex and start to cuss . . . 'Let every sinnerman bear his own blasted burden; who is I to die for people who ain't have sense enough to know that they can't pelt a man when so much little pebbles lying on the ground.'"

And so on right through the book to the end.

BRIDGE

E. P. C. COTTER

MY FIRST hand today, dealt by South at game all, posed problems of bidding, dummy play, and defence:

```
            N
         ♠ J 7 2
         ♥ K 7 6 4
         ♦ A 6 5
         ♣ J 6 5
  W                  E
♠ Q 5 4          ♠ 6 3
♥ J 9 5 3        ♥ 10 8 2
♦ Q J 9 8        ♦ 10 7 3 2
♣ 7 3            ♣ K 9 8 4
            S
         ♠ A K 10 9 8
         ♥ A Q
         ♦ K 4
         ♣ A Q 10 2
```

What was South to bid? His hand was too strong for one spade, not strong enough for a conventional two clubs, and not entirely suitable for two no *trumps. He decided eventually* to open with two spades on his moderate five-card suit. To this bid, which is *forcing* for one round, North replied with three spades, promising neutral trump support and at least one Ace. South *now rebid* four clubs, North showed his Ace with four diamonds, and South *said four hearts. After North's* response of five hearts South bid six spades, and all passed.

West chose the diamond Queen as his opening lead, East played the three, and the King won. Declarer could see that the slam depended upon picking up the trump Queen or successfully finessing against the club *King. He cashed* the trump Ace in case West had the singleton Queen, carelessly forgot to cash his two hearts, crossed to dummy's Ace of diamonds—East completed the peter by dropping the two—led a spade and finessed his ten, losing to the Queen.

Instead of woodenly returning a "safe" diamond, West led his last trump. He thought it might be inconvenient for declarer to use his trump entry to dummy at this point. This instinctive return should have beaten the slam, for with the heart King not released, South needs a 3-3 break in clubs as well as the finesse. However, when he led dummy's club *Knave, East did not* cover—he thought his King would score later. Now South had a chance to recover from his mistake. He led another club from the table to finesse the ten, returned to dummy by overtaking his heart Queen, and another club finesse landed the contract.

The second hand comes from *a team-of-four match,* and this is what happened in the open room:

```
            N
         ♠ 9 7 4 3
         ♥ K J 5
         ♦ A
         ♣ K 10 9 5 3
  W                  E
♠ K J 2          ♠ Q 8 5
♥ 9 4            ♥ 10 8 6 3 2
♦ Q J 10 9 8     ♦ 5 2
♣ A 7 4          ♣ J 8 6
            S
         ♠ A 10 6
         ♥ A Q 7
         ♦ K 7 6 4 3
         ♣ Q 2
```

With both sides vulnerable South, the dealer, bid one diamond, his partner replied with two clubs, and raised the opener's rebid of two no trumps to three no trumps.

West, of course, led the diamond Queen, which was taken by the Ace on the table, and the declarer returned the three of clubs to his Queen, and West smoothly followed with the four.

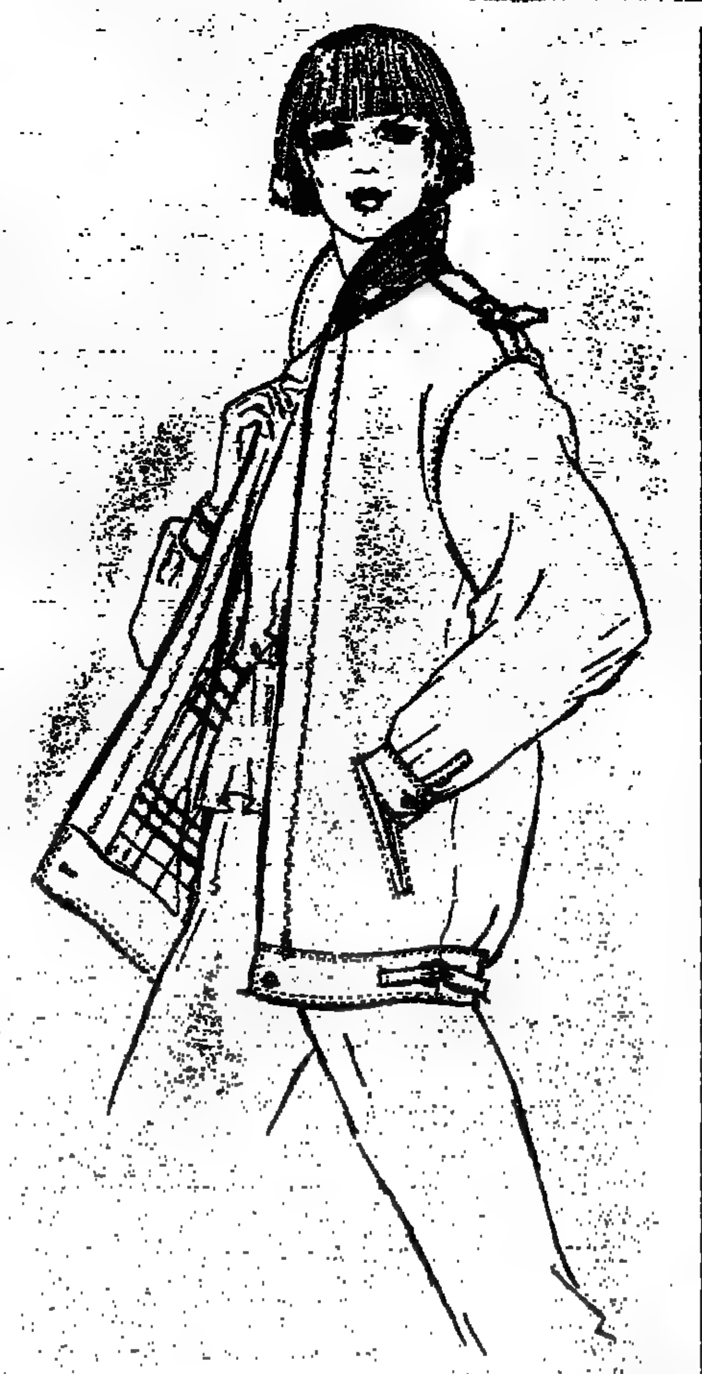
This particular defensive deception is frequently employed in expert circles, but on this occasion it was absolutely essential for West to retain his card of entry, if he was to have any chance of defeating the contract.

South then finessed the club nine in dummy—the finesse obligatoire—and East won with the Knave. The declarer won the diamond return—he saw no point in holding up his King—crossed to dummy's Heart Knave, and led the club King, expecting to lose to the Ace in East's hand. To his surprise and disappointment West won and defeated the contract with his diamonds.

File this play away for future use, but remember that the duck must be made without the slightest hesitation, otherwise declarer will play dummy's King on the second round, and hold you to one defensive trick!

HOW TO SPEND IT

by Christine Burton



Just the sort of jacket that would be ideal for walking in the Highlands of Scotland is this one from Burberrys. A far cry from the ubiquitous nylon anorak, it would be useful for all those occasions in the country when the sky is overcast, the wind is fresh, and rain threatens.

In polyester/cotton gaberdine, described as "weather-proof," the jacket has attractive top-stitching, a strong zip, and deep pockets; the collar and cuffs are faced with tan leather. In stone, and lined with Burberry check, it comes in sizes small, medium and large, and costs £50. It is available in person and by mail order from Burberrys, 18, The Haymarket, London, SW1, and 165, Regent Street, London, W1.

One more for the road

CAR OWNERS tend to split into two camps — those who think of their car as an extension of their own personalities and those who regard it as a necessary heap for getting from A to B.

But whichever type you are there are still gadgets which make the motoring life easier and more bearable. Now, in the middle of the holiday season, when most of us are using our cars a great deal, seems a good moment to look at them.

The most essential gadget, I would say, is a set of jump leads. I well remember the awful experience of standing beside the A4 scanning the cars for one which was likely to have its battery in the sort of place where my leads would be accessible. Having spotted the car, the next problem is to get it to stop....

On another occasion, at night, I felt quite pleased with myself for managing to pull up underneath a motorway bridge with a puncture and in the pouring rain. At least we were able to keep dry while changing the wheel but had to rely on the headlights of passing cars as we did not have a torch. Essential No. 2 therefore is a torch. Illustrated is a handy torch 4 in long, in red plastic with a slide-out drawer containing a handle and four attachments. It costs £1.35 (p + p 25p) from Peter Knight, of Esher and Beaconsfield.

"... and finally you will need one of these to restore the performance lost due to the extra weight of all the things you've just bought!"

This torch by Varta is 9 inches long, runs on two 1020/SP2 batteries, has a magnet on the side and a ring in the base for hanging it up. £2.29.

Also from Peter Knight is what is called a roll light—2½ in tall and circular, it has a light at one end and a magnet at the other. This means that you can place it wherever you need light—shining into the bonnet, for instance — but its major advantage is that it has a retractable 12 ft long flex, the end of which plugs into the cigarette lighter socket on the dashboard (£3.50, p + p 45p).

However, if your car is not equipped with this useful socket (it seems to have more uses than simply to light cigarettes; readers may remember the car coffee maker we featured last year) a torch from Varta will fit the bill. A magnet on the side enables it to be clamped under the bonnet or wherever light is needed, or the control switch can be set to make it flash on and off. Buy two, clamp them to either side of the boot and if you break down they will act as warning flashers without running down your battery. It costs about £2.29 and is available from branches of ASDA, International Stores, Safeways, Carrefour, and Co-ops.

Although the use of a red triangle is compulsory in the event of a breakdown in France and most other European countries, it is only "advisable" in the UK. (Wasn't it Patrick Campbell who broke down just round a bend, placed the triangle where approaching drivers would be warned, returned to the car and found his jack stolen? When he went back for the triangle, that was missing too!) Anyway, assuming you don't have such bad luck a warning triangle is a good idea.

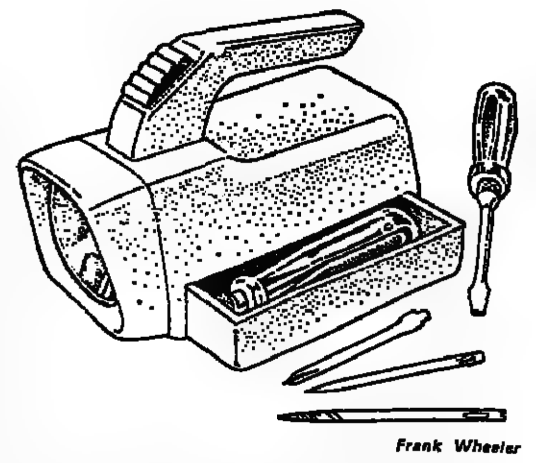
A particularly sturdy one that looks as if it could withstand a pretty hefty gust of wind is made by Polco and is available from Selfridges (£6.84). It is covered in a red reflective material which picks up approaching headlights. The plastic case in which it comes shows a chart of the European regulations for the positioning of the triangle; for instance, in Yugoslavia, it should be placed 1.5 metres from the kerb and 30 metres behind the vehicle.

Something else which should really be kept in the car, especially if you have children, is a first-aid kit. Of course you can put one together yourself or buy a complete set—Bradex do kits in two sizes, £2.03 and £4.26, also from Selfridges.

The large size tin, 5½ ins x 8½ ins, includes all the things you would expect: plasters, lint, bandages, finger stall, scissors, dressings, and an eye bath, together with a printed sheet of advice on first aid.

My car was stolen on New Year's Eve (of all times!) a year ago and didn't turn up for three months, so I wish I had invested in a burglar alarm. The Selmar car alarm (£12 from branches of Halfords and Selfridges) should be fitted by your garage in a suitable place under the bonnet—but not directly on to the engine. If you are mechanically minded you could fix it yourself but it does involve drilling holes in metal and an understanding of the wiring system.

Unless the driver de-activates the system, the lightest touch will set off the alarm for up to one minute—or you can adjust the length of time to suit. Be careful also not to set the alarm so sensitively that the wind or passing traffic will set it off. It also incorporates an ignition immobiliser which means that even if the vehicle is broken into, it cannot be driven away.



Frank Wheeler

Above: torch with drawerful of handy attachments costs £1.35 from Peter Knight of Esher, Surrey or Beaconsfield, Bucks. By mail order it is an extra 25p from these addresses.

Liz Gill

Right: HiSign, showing one of a series of messages, costs £3.95 (p + p 30p) from Sylvia's, 25, Beauchamp Place, London SW3.

One other gadget aimed at outwitting the petty thief is a locking petrol cap—likely to be something you have always been meaning to buy and only do so after Fate has intervened. Halfords sell them from £3.30 (including two keys), depending on the make, year and model of your car.

Before you lock your keys in the car another time, invest in a magnetic box for keeping a spare key in a place only you know of. It is essential, however, that the hiding place should be completely free of mud, stones or anything that would impair the contact—otherwise the little box could fall off when you go over a bump. Called the Keep-A-Key, it costs £1.50 from Peter Knight (p+p 20p).

Now for a much less mundane gadget. Called HiSigns, it looks like a table tennis bat and shows a variety of messages (21 altogether). You can enjoy yourself by flipping up "You're cute!", "Are you attached?" or, when some idiot does something stupid, hold up "Learn to drive." "Thanks" is catered for, or there are two blanks for composing your own trenchant words. Made by a company called Creative Boredom of Los Angeles, HiSigns are available from Sylvia's, 25 Beauchamp Place, London, SW3 (£3.95 p+p 30p).

Finally, for those car owners in category one, a service which extends their personality to the doors of their car. Jack Barclay (Service), 100 York Road, Battersea, London, SW11, can arrange for your initials, your crest or your coat of arms to be painted on to the doors by a fourth-generation heraldic artist. He uses enamel paint, not lacquer, which lacks detail, and gold leaf, if gold is called for. The charge is from about £15 for a simple initial and increases according to the amount of detail involved; they would need to deprive you of your car for a day to do the work. Jack Barclay normally deals with Rolls-Royces or Bentleys but would be happy to discuss any requirements if you ring 01-228 6444.

Just when I want to send a really apposite message, I can never find a card that says it for me. Published recently is a set of witty and subtle postcards that are just that bit out of the ordinary. Illustrated here are "A short note" and "I miss you," but others are "I heard it through the grapevine," "Great news" and "Smile." The work of a young husband and wife designer team, Birch et Birch, who started off by sending them to their friends, the cards are rapidly becoming a commercial success. (If you like them, look out for their Christmas cards, in the shops soon!) Selling at about 18p each, they are available from Harvest, Tavistock Street; Paper Rainbow, Monmouth Street; Sloane Graphics, Finchley Road; and Harrods and Paperchase soon.

Lucia van der Post is on holiday

A thing of pewter is a jar for ever

TAKE a look at the photograph on the right. It shows pieces from the Cromwell range made by Englefields, craftsmen pewterers, of Spitalfields, London. It's attractive, isn't it? But not exactly the epitome of modern design. However, it illustrates exactly Englefields' policy which is to produce timeless designs along simple classic lines, which, with little adaptation can be used in almost any setting. Unadventurous though this sounds, it is the basis of their commercial success—Englefields knows what its customers like and that is what it provides.

If you want to see the juxtaposition of this traditional metal with adventurous modern design, you will probably have to go to Norway. Designers there have experimented with pewter but the results are for domestic consumption only. Even in Sweden — widely thought to be the home of exciting design — traditional shapes remain the most saleable.

This is good news for Englefields—while over 50 per cent of its production goes to the U.S., the rest is split between Britain and the rest of Europe—and Sweden represents a growing market.

But it is the U.S. market which, to a large extent, influences product policy at Englefields. The Americans are avid collectors and it makes commercial sense to produce things that they can collect. Englefields believes in listening to its customers and the word came back that pewter bells might well be popular. It so happened that the chairman, David Innes, had been thinking along similar lines; bells were eminently collectable and ideally suited to the medium of pewter rather than glass or porcelain, with which pewter normally competes. The bells took off and have been so successful that of an edition of 7,500 Christmas bells, 5,000 went to the States.

But apart from collectables, Englefields' strength also lies in traditional pewter tableware—indeed, since they keep all the moulds they have ever used, they could, in theory, recreate anything that was first made as long ago as 250 years when the first company subsequently to become Englefields set up in business in Spitalfields.

The methods of making pewter ware have not changed greatly since then. The composition has, however. Over ten years ago, the use of lead as a component was banned by Parliament. Now all British pewter is made of basically the same mixture: 94 per cent tin, 4 per cent antimony and 2 per cent copper. Because lead is not present, modern pewter no longer has the dullness characteristic of the older sort.

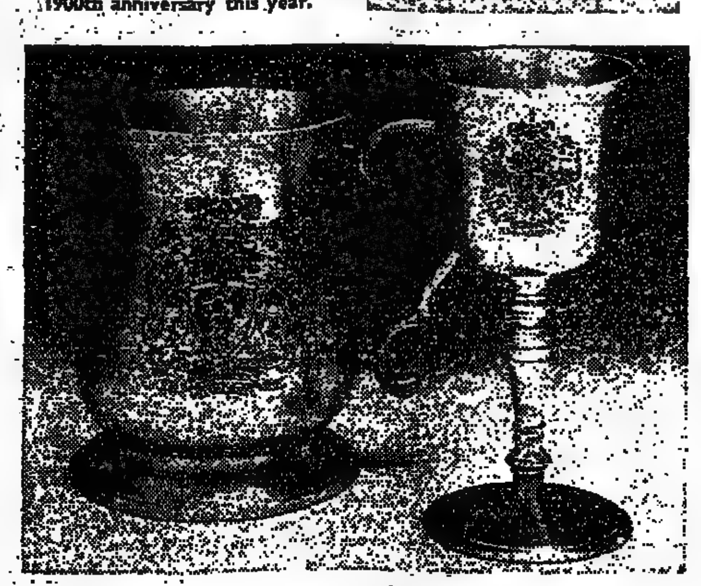
There are two ways of producing pewter: spinning and gravity casting. Spun products are made from sheet pewter and the processes involved are less labour-intensive: spun (or beaten) pewter is therefore lighter and cheaper. Englefields is the only manufacturer in London to use gravity casting.

ABOVE

The Cromwell range of Crown and Rose pewter: two sizes of goblet, a candlestick and table centrepiece for flowers or fruit. The design is inspired by pewter from the mid-1600s.

RIGHT

Limited edition coffee pot, based on an original made by the silversmith Thomas Whipham in 1748 which is now owned by the Victoria and Albert Museum.



BELOW

Traditional pint bell tankard for holding your jar of ale is Englefields' all-time best seller. This one and the Charles II goblet were etched with Chester's coat of arms to celebrate that city's 1900th anniversary this year.

Although Englefields does not conduct guided tours round its own factory, from time to time one of its master pewterers demonstrates production techniques in shops around the country.

Successful demonstrations have already been held in Liberty's in London and Weir's in Dublin; others will be held at G and F Cope, 6 Bridge Street, Newark-on Trent, Nottinghamshire, from September 3 to 7; at Hewitt Jewellers, 35 Woodside Road, Amersham, Bucks on September 29 only; and at Croydons the Jewellers, 50 Tavern Street, Ipswich, Suffolk, from October 8 to 13. There will even be a bubbling vat of molten metal in each shop.

Meanwhile back at the factory—each day the nuggets of pewter are melted down until they can be poured into the moulds; gravity forces the metal into each crevice of the gunmetal moulds. A traditional mixture of red ochre, pumice and egg-white is heated and applied to the inside of the mould to help the flow of metal.

Some of the more intricate pieces, for instance birds sitting on bell handles, are cast several at a time in rubber moulds, but in order that they do not lose their detail, new moulds are cast every six times.

Most of the pieces are cast in two halves, and nippers are then used to clip off the extraneous pieces. The casting is put on the lathe and the craftsman works at it until he has achieved a smooth whole. He also turns the inside of the object. This is a very skilled job because, of course, he cannot actually see what he is doing.

The two pieces are soldered together—another skilled operation—before the final turning on the lathe can be executed, and the satin finish produced. Hinges, spouts, handles and lids are soldered on at this stage. Now each piece is polished—a team of women spend their working day buffing up the pewter with french chalk.

The sheen is now inbuilt and will remain throughout normal washing up and drying; but pewter should not be cleaned with abrasives or put in a dishwasher. It should be dried immediately after washing and polished in the direction it has been turned. Pewter is good for keeping heat in and also for keeping it out—pewter wine goblets will keep wine cool throughout a meal if they have been chilled in the fridge beforehand.

Englefields' list of products includes tankards, loving cups, christening mugs, goblets, candlesticks, bowls and vases, and condiment sets. Pewter is not cheap, for it reflects the increasing price of its main component, tin, and of course, all the skill which goes into each piece. (From 1945 to 1971 the price of tin remained steady at just over £1,000 per ton; it has increased rapidly since then so that now in 1979 it averages £7,200 per ton.)

Liberty's has a good selection of Englefields' pewter—sample prices are tankards from £16.85 to £25.40, candlesticks £19.45 to £30, bells around £29, and a limited edition Thomas Whipham coffee pot £158.25—but it is available from department stores, gift and jewellers' shops around the country.

Englefields' pewter can be identified by the Crown and Rose touchmark—this is the mark stamped on the base of every piece, together with a symbol which shows the year of manufacture, the stamp of the Association of British Pewter Craftsmen and the craftsman's mark.

A final word of warning—only buy modern pewter if you like it; don't consider it to be an investment. If you buy it now you certainly shouldn't expect to sell at a profit within a year. As with most present-day goods, once they reach the second-hand market, the price falls. Old pewter is a different matter; whereas it used to be reckoned that old, good quality pewter would fetch £1 per inch, nowadays an 8-inch plate costs more like £30.

ARTS

Dancing to Time

RADIO

ANTHONY CURTIS

We have reached the halfway mark in the dramatisation by Frederick Bradnum on Radio 4 UK of Anthony Powell's *A Dance to the Music of Time*. Tomorrow night at 9.03 you can hear part two of *A Buyer's Market* which leaves only two more Sundays for *The Acceptance World*. With the main characters approaching the watershed age of 30, and the Depression looming ahead, this radio version ends. So far it has been fairly enjoyable. Some of the lesser characters seem to me to have been captured on the air with just the right tone by the actors concerned. Peter Pratt's pontificating housemaster Le Bas, Preston Lockwood's smooth manipulating Oxford don, Sillery, and the Uncle Giles of Gerard Green, huffing and puffing his way in and out of the young men's lives, were all excellent.

I am confident that by the time we are through, a confirmed Powellite will have several more splendid vignettes of this order to add to his collection. What of the success of the dramatisation as a piece of radio in its own right? Here the text presents formidable difficulties and I cannot really believe that they have all been satisfactorily met. Radio is a flexible medium which can perform with ease many feats of dramatised story-telling which would not be possible on the stage or even on television, but the kind of novel which Mr. Powell writes, which is based on ironic recollection, on a web of associations (to borrow a phrase coined by his friend Henry Green), somehow defeats adaptation.

The novelist's web is so finely spun that any tearing away of one part of it, and strengthening of some other part, wrecks the pattern of coincidence and repetition on which it is based. An episode such as the cruel hoax played on Le Bas by Stringham (Simon Cadell) and Templer (Christopher Good) becomes isolated on radio, whereas in the novel itself its significance emerges after the event, in the narrator's reflections upon it, as with the episode of the sugar poured over Widermerpool's head on the night of the Huntercombe's dance.

The omnipresence of a subjective story-teller throughout the narrative continually ruminating on his own past life is another big problem. This has been ingeniously solved in acting terms. Graham Gauld, the producer, has cast Noel and Gareth Johnson, who really are father and son, as the young and the old Nicholas Jenkins. Noel Johnson voices the narrator's thoughts with admirable clarity of utterance.

In the novel his skilfully contrived alternation from action to reflection is perfectly acceptable, indeed it is a great part of the charm of the work; on radio the narrator often seems an intrusion, holding up the action for no good reason. I could have done with more not less dramatising of the text. Certainly Antony Miall's title music, Max Pilgrim's song, has caught the spirit of the book well and all the voices of the bright young things have been very accurately attuned to the right social class and period. Widmerpool (Brian Hewlett) belongs to it while remaining utterly humourless whereas the Quiggin of Gordon Dulieu and Mark Members of Paul Lowther suggest those born and brought up outside the charmed circle.

Roy Plomley's *Desert Island Discs* marooned its 1,500th castaway last Saturday (Radio 4 UK, August 4) in the person of Sir Ralph Richardson. He spoke first of his parents, both of whom were painters and of his total lack of interest in music until he appeared in *The Tempest* at the Old Vic with Gielgud before the war. Gielgud suggested that they use some Delius for his entrance as Caliban. Till then Sir Ralph's records had consisted solely of a 78 of Binnie Hale in *No No Nanette*. Gielgud opened his ears—or eyes, as Sir Ralph quaintly put it—to the joys not only of Delius but Bach and Mozart. There followed a friendship between Sir Ralph and Schnabel with visits to the Queen's Hall to hear the maestro's rendering of Beethoven piano sonatas.

Listening to Sir Ralph improvising so entertainingly about his musical education and his career, I pondered on the continuing power of renewal of this ancient programme. Though Men and Women of Action fall by the wayside, it survives as irremovable as the News and the Weather Forecast. Some fresh statistics of the most frequently chosen composers, books and luxuries would be interesting.

The current exhibition at the Anthony d'Offay gallery in London emphasises the plight of the Bloomsbury Group's rural haven in Sussex. Colin Amery discusses the recent appeal launched to save the house, and William Packer reviews Vanessa Bell's pictures

Vanessa Bell and her home at Charleston

When Duncan Grant died in 1978 at the age of 93 he was still living in the Sussex farmhouse at Charleston that he had occupied since the days of the First World War. When Vanessa Bell first saw the house she wrote to Roger Fry in October 1916 describing the house that she was to occupy for 44 years.

"It really is so lovely that I must show it to you soon. It's absolutely perfect I think . . as one comes to it from the front, one sees the less good side of it. It has been refaced with some kind of quite harmless stucco of plaster and has a creeper growing over it. The other sides are wonderful. I suppose it's 17th or early 18th century . . . anyhow it's very solid and simple with flat walls in that lovely mixture of brick and flint that they use about here, and perfectly flat windows in the walls and wonderful tiled roofs. The pond is most beautiful with a willow at one side and a stone or flint wall edging it all round the garden part and a little lawn sloping down to it with formal bushes on it. Th there's a small orchard and the walled garden. . . . Inside the house, the rooms are large and a great many . . . the sun doesn't come in much after quite early morning—one might get some interesting interiors I think."

Apart from the fact that Charleston was occupied and visited for decades by such writers and artists as Vanessa and Clive Bell, Maynard Keynes, David Garnett, Roger Fry and Lytton Strachey—it is in itself a part of the artistic history of the nation.

Vanessa Bell was being modest when she wrote that she thought that it might be possible to make some interesting interiors in the house. Duncan Grant, Vanessa Bell and other artists set about adorning the house and the garden and the result is a set of rooms that is furnished and painted in a completely original and spontaneous way. Rooms and furniture are painted with flowers, dogs and angels, and the products of Fry's Omega Workshops fill the rooms. It is a world of circles, squares, bands of terra cotta and pale green and gentle marbling in cool colours.

Today the house, which belongs to the Gage Estate, is badly in need of friends. As the last surviving example of the domestic work of Grant and Bell and as a place redolent of the atmosphere of the Bloomsbury Group Charleston should be preserved. It is in very bad repair and a way must be found to arrest the deterioration of the fabric without destroying the almost tangible atmosphere of artistic sensitivity.

To help to save the house a fund has been established and an appeal started for £300,000. The National Trust's regional committee for the Sussex area has recommended that the house should be accepted on merit and the Trust's head office will decide in September. Ideally the Trust would like to take on Charleston with the nearby Monk's House which was the home of Virginia and Leonard Woolf and is now owned by the University of Sussex. These two houses would make a pair of important material reminders of the literary and artistic achievements of the Bloomsbury Group. Close by is Berwick Church with its Grant Murals and in the Library at Sussex University are the Woolf archives.

Every effort must be made to save Charleston for the nation and donations and offers of help should be made to Deborah Gage, 33, Palace Gardens Terrace, London, W8.

'The Dining Room Window, Charleston' by Vanessa Bell

It would be easy, and as mistaken, to exaggerate: Vanessa Bell, for all the charm and undoubted accomplishment of her work, was not one of the very best of English artists, nor even of any great art-historical moment but for the brief and commendably early period of experimental abstraction that she and Duncan Grant indulged in during the Great War. For the rest of their long life together the two artists worked steadily away, painting their landscapes and still-lifes, and the portraits of their friends, uncontentious in their safe and intelligent post-impressionism. There they sat, close to the heart of Bloomsbury, with Virginia, Aldous, Roger, Lytton, and the rest coming and going, quiet but central figures in that special and privileged little world: and of course they gained and suffered by all the prejudices that flow from and round it still — coterie encouragement and admiration, critical hostility or indifference, and at last a revived interest and scholarly examination. But even now, the work itself, always so modestly likeable and accessible, is likely to be considered less for what it is, in its own terms, than for who they were. And yet the closer we do look at the work, the better it gets; for the innovation is not the only nor even the main thing after all. The artist is free to treat the world as he sees it, and the real achievement is to get it right.

Duncan Grant in extreme old age became a celebrity for being old as much as anything, and the last survivor of the Group. But at least his work was flushed out as a result, and in a series of shows in his last years and after his death last year, that included much very late work, we could see that he really was rather good. Vanessa, however, who died in 1961 and whom many consider to be the better painter of the two, has remained rather in the shadows: which makes the small show now at Anthony d'Offay (until August 25) especially welcome.

Charleston, their Sussex home for half a century, with all its richly idiosyncratic decoration and personal memorabilia, should be saved somehow. It remains indeed a unique memorial to a certain kind of English art and Letters, and Vanessa Bell presided over its creation. And what we see here, in the figures and interiors, the paintings of the gardens and still-life after still-life, is its quietly insistent celebration in her work over many years.

All is informed with as powerful a sense of object as of place, the interiors themselves a kind of still-life, and the familiar pots and jars, full of country flowers, for all the firmness and simplicity of their statement, are emphatically personal and special, private trophies. And always they are not just anywhere, but are set against a broken ground of pattern or incident, whether it is the printed fabric or painted decoration of screen or shelf, or even the painting of the Grand Canal upside-down against the wall, that draws the subject away from generalised study and into a known place and a personal vision.

TV/Radio

† Indicates programme in black and white

BBC 1

7.15-8.30 am Open University (ultra high frequency only). 8.55 Mister Men. 9.10 Boss Cat. 9.35 The Record Breakers. 10.00 Horseback. †10.25 Zorro. 11.15 Tom and Jerry.... 11.20 "Money From Home," starring Dean Martin and Jerry Lewis. 12.57 pm Weather.

1.00 Grandstand: FA Charity Shield Preview (1.05) Liverpool v. Arsenal; Hunter Trials (1.15) The Abbey Life Championship of Great Britain; Racing from Haydock (1.35, 2.05, 2.35, 3.05); Rugby League (1.50) New Zealand v. Great Britain—Second Test; Sailing (2.20) The Admiral's Cup; Athletics (2.50, 3.45, 4.20) UK National Championships; Swimming (3.20, 4.20) Men's Europa Cup; Motorcycling Preview (4.10) Marlborough British Grand Prix; 5.00 Final Score.

5.10 News
5.20 Sport/Regional News
5.25 The Hardy Boys and Nancy Drew Mysteries
6.15 Juke Box Jury
6.45 Saturday Night at The Movies: "The Hunchback of Notre Dame," starring Gina Lollobrigida and Anthony Quinn
8.35 Seaside Special
9.15 Sword of Justice
10.50 News
11.00 Match of the Day
12.00 The Quest

All Regions as BBC1 except at the following times:

Scotland—4.55-5.10 pm Scoreboard. 5.20-5.25 Scoreboard. 11.00-12.00 Sportscene. 12.50 am News and Weather for Scotland.

Wales—8.25-9.15 am Eisteddfod '79. 12.50 am News and Weather for Wales.

Northern Ireland—5.20-5.25 pm Sport/News for Northern Ireland. 12.50 am News and Weather for Northern Ireland.

BBC 2

7.40 am-2.45 pm Open University
†3.15 Saturday Cinema: Double Bill — "Blonde Venus," starring Marlene Dietrich
†4.45 "Dishonoured," starring Marlene Dietrich
6.15 Network
6.45 The Silent Witness
8.00 News and Sport
8.15 Hitler—a Film from Germany
10.00 News on 2
†10.05 Masters of Terror: "The Strange Door," starring Charles Laughton
11.25 "Blood From the Mummy's Tomb"

LONDON

8.45 am Sesame Street. 9.45 The Fantastic Four. 10.00 Superman. 10.30 "Seven Cities of Gold," starring Anthony Quinn. 12.30 pm World of Sport. 12.35 International Sports Special—Show Jumping. Nations Cup from Dublin; and 2.40. 1.20 The ITV Four—1.30, 2.00, 2.30 and 3.00 from Newmarket; 1.50 News; 2.10 World Bellybopping Championships from Vancouver; 3.10—Speedway; 4.00 Wrestling; 4.50 Results.

5.05 News
5.15 Cartoon Time
5.30 Bonkers!
6.00 Chips
7.00 Steve Jones Game Show
8.00 Cannon and Ball
8.30 Sale of The Century
9.00 Charles Endell Esquire
10.00 News
10.15 Police Woman
11.10 Soap
11.40 Nick Lowe, Dave Edmunds and Rockpile — Born Fighters
12.40 am Close: Personal choice with Sydney Tafler

IBA programmes are subject to interruption because of industrial action

All IBA Regions as London except at the following times:

ANGLIA

9.35 am Talking Bikes. 10.00 Kum Kum. 5.15 pm Happy Days. 5.45 Bonkers! 6.15 How The West Was Won. 8.00 Sale of the Century. 8.30 Cannon and Ball. 10.15 Fantasy Island. 11.10 Nick Lowe, Dave Edmunds and Rockpile—Born Fighters. 12.10 am At The End of the Day.

ATV

8.55 am The Do-Gooders. 9.35 Talking Bikes. 5.15 pm Bonkers! — — — Bikes. 10.00 Superman. 5.15 pm Bonkers! 5.45 Cannon and Ball. 6.15 Sale of the Century. 6.45 The Cuckoo Waltz. 7.15 Saturday Cinema: "The Invasion of Johnston County." 10.15 Lou Grant. 11.10 Nick Lowe, Dave Edmunds and Rockpile—Born Fighters.

BORDER

[illegible]

Nick Lowe, Dave Edmunds and Rockpile—Born Fighters

CHANNEL

5.15 pm Puffins Pla(i)ce. 5.15 Mork and Mindy. 5.45 Bonkers! 6.15 How The West Was Won. 10.15 Genette. 11.00 Nick Lowe, Dave Edmunds and Rockpile—Born Fighters.

GRAMPIAN

9.00 am About Gaelic. 9.30 Sesame Street. 5.15 pm Mork and Mindy. 5.45 Bonkers! 6.15 How The West Was Won. 8.00 Sale of the Century. 8.30 Cannon and Ball. 11.10 Nick Lowe, Dave Edmunds and Rockpile—Born Fighters. 12.10 am Reflections. 12.15 Barney Miller.

GRANADA

9.25 am The Do-Gooders. 10.05 Happy Days. 5.15 pm Som. 5.45 Bonkers! 6.15 How The West Was Won. 8.00 Sale of the Century. 8.30 Cannon and Ball. 10.15 Hawaii Five-O. 11.10 Nick Lowe, Dave Edmunds and Rockpile—Born Fighters. 12.10 The Late Film: "Secret Night Caller."

HTV

9.05 am Parents' Day. 9.30 The Beachcombers. 9.55 Mr. Magoo. 10.05 Batman. 5.15 pm Mork and Mindy. 5.45 Bonkers! 6.15 How The West Was Won. 8.00 Sale of the Century. 8.30 Cannon and Ball. 10.15 S.W.A.T. 11.10 Nick Lowe, Dave Edmunds and Rockpile—Born Fighters. 12.10 am The Electric Theatre Show.

HTV Cymru/Wales—As HTV General Service except: 10.30 am-12.30 pm Eisteddfod Genedlaethol 1979. 5.15-5.45 Eisteddfod Genedlaethol 1979.

SCOTTISH

9.35 am Talking Bikes II. 10.00 Cuir Car. 5.15 pm Bonkers! 5.45 Cannon and Ball. 6.15 Sale of the Century. 6.45 Mind Your Language. 7.15 How The West Was Won. 10.15 Power Without Glory. 11.10 Nick Lowe, Dave Edmunds and Rockpile—Born Fighters. 12.10 am Late Call.

SOUTHERN

9.00 am Sesame Street. 10.00 ... Bird. 10.27 Regional Weather Forecast. 5.15 pm Mork and Mindy. 5.45 Bonkers! 6.15 Sale of the Century. 6.45 How The West Was Won. 8.30 Cannon and Ball ...

TYNE TEES

[illegible]

... Busters. 9.40 Space 1999. 10.40 Saturday Movie: "The Crimson Pirate." 5.15 pm Happy Days. 5.45 Bonkers! 6.15 How The West Was Won. 8.00 Sale of the Century. 8.30 Cannon and Ball. 10.15 The Northumberland Show. 11.15 Police Story. 1.00 am Ep...

ULSTER

5.45 pm Bonkers! 6.15 How The West Was Won. 8.00 Sale of the Century. 8.30 Cannon and Ball. 10.15 ...

WESTWARD

[illegible]

YORKSHIRE

[illegible]

RADIO 1

[illegible]

RADIO 2

... Champion Fye Europa Cup; plus news of Cricket, Athletics, British Grand Prix, Rugby League. 6.03 European Pop Jury. 7.02 Three in a Row. 7.30 Sports Desk. 7.33 Radio 2 Top Tunes (S). 8.30 The Ted Heath Orchestra (S). 9.30 Saturday Night with the BBC Radio Orchestra (S). 11.02 Sports Desk. 11.00 Ray Moore (S) with The Late Show, including 12.00 News. 2.02-5.00 You And The Night And The Music (S).

RADIO 3

[illegible]

RADIO 4

... Shipping forecast. 5.55 Weather, programme news. 6.00 News. 6.15 Desert Island Discs with The Countess of Longford. 6.50 Pen to Paper. 7.30 Baker's Dozen (S). 8.30 Saturday Night Theatre. 10.00 News. 10.15 A Word in Edgeways. 11.00 Lighten Our Darkness. 11.15 Dear Me by Peter Ustinov. 11.45 Just Before Midnight. 12.00 News.

TV RATINGS w/e August 5

UK TOP 20 (viewers m)

1.	Benny Hill	(Thames)	12.85
2.	Coronation St. (Mon)	(Gran)	12.85
3.	Coronation St. (Wed)	(Gran)	12.65
4.	Winner takes All	(Yorks)	12.00
5.	Crossroads ... (Thur)	(ATV)	11.45
6.	Crossroads ... (Mon)	(ATV)	11.40
7.	Crossroads ... (Wed)	(ATV)	11.20
8.	Crossroads ... (Tue)	(ATV)	11.05
9.	Sapphire and Steel (Tue.)	(ATV)	10.5[illegible]
10.	Sapphire and Steel (Thur.)	(ATV)	10.[illegible]
11.	Krypton Factor	(Gran)	10.30
12.	Sword of Justice	(BBC)	10.30
13.	Don't Just Sit There	(Yorks)	10.15
14.	Seaside Special	(BBC)	9.80
15.	Oh Boy	(ATV)	9.65
16.	Spooner's Patch	(ATV)	9.33
17.	Comedians	(Gran)	9.30
18.	Heartland	(ATV)	9.15
19.	I Look Like This	(Gran)	9.10
19.	Tropic	(ATV)	9.10

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

1.	Three's Company	(comedy)	(ABC)	24.2
2.	Taxi	(comedy)	(ABC)	22.1
3.	WKRP	(comedy)	(CBS)	22.0
4.	M.A.S.H.	(comedy)	(CBS)	21.3
5.	Lou Grant	(drama)	(ABC)	2[illegible]
6.	Vegas	(drama)	(ABC)	20.[illegible]
7.	Detective School	(comedy)	(ABC)	20.4
8.	Laverne and Shirley	(comedy)	(ABC)	20.2
9.	Mork and Mindy	(comedy)	(ABC)	19.0
10.	Charlie's Angels	(drama)	(ABC)	19.0

CHESS SOLUTIONS

Solution to Position No. 280

White. The game ended 1 . . . RxP; 2 KxR, N-N5 ch; 3 K-N1, B-B3 (expecting 4 Q-B2, BxB; 5 QxB, QxP ch; 6 K-R1, QxP); 4 P-B5! Q-K3; 5 N-K4! and Black resigned because of 5 . . . BxQ; 6 RxR ch, Q-K1; 7 RxQ mate.

Solution to Problem No. 280

1 B-QN7 (waiting), QxN (Q2); 2 R(K7)-K6, or if Qx either P: 2 R-Q4, or if QxR; 2 NxQ, or if Q elsewhere; 2 R or N mates.

WEEKEND CHOICE

SATURDAY: Assuming that ITV's screens will be disrupted somewhat this weekend the viewer is left with the BBC, and pretty thin pickings. Anyone who did not see The Silent Witness first time around might find the repeat tonight (BBC 2 6.45) worth the time. The programme is a fascinating examination of the shroud of Turin with its remarkable marks—is it or is it not the face of Christ?

SUNDAY: Although not particularly a music buff, Face the Music, BBC 1's cerebral excursion into parlour games, is, for me, compulsive viewing. The whole thing is beautifully paced—just right to allow the less musically at least to notch up a mark or two. Cricket on Sunday should make some pleasant weekend viewing.

A.S.

LEISURE

Rush to the sales

A Sotheby scene: another record year.

COLLECTING

JANET MARSH

THE THREE major London salerooms last year handled the staggering total of more than £320m worth of goods. The increase on the previous year's £274m suggests (it is impossible to test precisely) that the rise in prices of antiques and fine art is still well outpacing general inflation figures.

The increase in the market has not been evenly shared. Sotheby's, well in the lead with a total turnover of £181.5m, reckon a rise of 12.7 per cent over the previous season. Christie's with £110.4m puts its increase at 24 per cent. Phillips, with a £30m slice of the market, shows an even more remarkable rise of 26 per cent.

Christie's dramatic rise in turnover reflects in part the acquisition of a Glasgow saleroom, which grossed £1,186,000 during the year, and the growth of its comparatively new New York branch. Phillips is undoubtedly reaping the rewards of a strenuous public relations effort at home: its "Bring it to Phillips" poster campaign and television commercials have had their effect in opening new areas of the home market.

Christopher Weston, Phillips' chairman, says: "We are dealing with over 200 new clients in the UK alone every working day. We are convinced that this figure will climb in the next 12 months, during which time we are planning a record number of sales. To cope with the growing and increasingly international business, as envisaged last year, we have employed many extra staff, stepped up the number of specialist advice sessions in the regions, and concentrated on better-illustrated catalogues, with printed estimates and sale results."

Even though all three auction houses have branches in North America and Continental Europe, London retains its position as the world centre of the fine art trade. Both Christie's and Sotheby's say that one-third of goods which pass through the London salerooms now come from abroad.

Peter Wilson, Sotheby Parke Bernet's chairman, however, advises ominously, "The influence of the UK on the world's taste in fine art is extremely strong, and London remains the acknowledged centre of the world's art market. . . . We should not forget, however, that this position could easily be eroded or lost if restrictive regulations should destroy the confidence of collectors throughout the world who sell at and buy from Sotheby's."

Apart from "restrictive regulations," the auction rooms are inevitably sensitive to exchange fluctuations, though perhaps the effects work on the principle of roundabouts and swings. As John Floyd, chairman of Christie's comments, "The present strength of sterling in relation to the dollar could have an adverse effect on the London market in which there is a great dependence on foreign buyers. By the same token, however, this situation works to the advantage of a vendor consigning property for sale from abroad."

Price records are broken with such regularity that they seem no longer to mean very much. Sotheby Parke Bernet in North America set up no less than 250 new records in the year, including world records for a pre-Columbian work of art ($101,000 for a Mixtec gold lip-plug) and for an Egyptian work of art (a limestone figure of a man, late 5th dynasty, sold for $280,000).

In London price records fell as regularly. In June Sotheby's established a new world record for a single piece of English furniture, the Coombe Abbey Library Table, attributed to Chippendale, which made £100,000. In March, the £110,000 paid for a Kakiemon porcelain bottle was the highest price ever paid for a Japanese work of art sold outside Japan. The same month Sotheby's manuscripts department sold an atlas assembled by Mercator for £340,000—the highest price for a single lot ever achieved by the department, and a clear £300,000 more than for any other atlas before it.

In New York, Sotheby Parke Bernet established a record price for an American autograph, when the log kept by Captain Robert A. Lewis, co-pilot of the "Enola Gay," which carried the atomic bomb to Hiroshima 34 years ago this month, sold for $85,000.

Christie's most remarkable prices were for pictures: £720,000 for Matisse's "Le Jeune Marin I," £370,000 for Lautrec's "La Grande Loge," and in New York $800,000 for Mondrian's "Large Composition in Red, Blue and Yellow." In May, John Frederick Lewis's "An Intercepted Correspondence, Cairo," became, at £230,000, the most expensive Victorian picture ever sold at auction.

Individual departmental records show a comparable buoyancy in practically every area of the fine art market. Jewellery, Old Masters and silver show steady rises: in other areas, notably prints and furniture, results are more dramatic.

It would be hazardous to derive any too precise conclusions from the figures: it is impossible, for instance, to know what allowance to make for increasing bulk of goods, and increasing numbers of sales (Christie's South Kensington have held 666 during the past season). It is clear enough though that antiques on the market are still doing well; and the salerooms better—even with the question of the buyers' premium still *sub judice*.

Winter, by Joos de Momper the younger, brought £140,000 at Christie's in March

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A succession of near misses

GOLF

BEN WRIGHT

DAVID GRAHAM'S victory over Ben Crenshaw in the U.S. PGA championship at Oakland Hills, Birmingham, Michigan, last Sunday evening at the third hole of a sudden-death play-off was notable for a variety of reasons. Above all it was a remarkable performance in terms of Graham's sheer courage in pulling himself together after the shock of taking a 2 over par 6 at the final hole that involved him in a play-off when outright victory had appeared certain fifteen minutes earlier when the Australian had stepped onto the final tee.

It was Crenshaw's second successive second-place finish in a major championship within a month—and his fourth in all. Since he also finished second in the Western Open in early July, beaten then in a sudden-death play-off, and had also been second outright two weeks previously in the Canadian Open, he must be starting to ask himself serious questions. It is hard to imagine a more unfortunate succession of near misses in quality events on such renownedly difficult courses as Glen Abbey in Toronto, Butler National in Chicago, Royal Lytham and St. Annes and, finally, Oakland Hills.

It is rare for a score of 65 to be recorded by the winner in the final round of a major championship. It is even rarer for such a score to contain a six. A two over par 6 at the final hole that still wins a major championship for its perpetrator is another infrequent occurrence, although I can never forget that of Gary Player at Muirfield, when he became the youngest-ever winner of the Open Championship at the age of 23 in 1959.

Then there was the incredible 67-year-old Sam Snead scoring 73, 71, 71, 73 for a total of 288 in the massive humidity last week that was only five strokes higher than the total he had recorded at the same club — but over a much different golf course in terms of design and conditions — 42 years previously in the U.S. Open, when Ralph Guldahl had won with a total of 281.

There was also Tom Watson, whose dreams of winning $500,000 in a season seemed so realistic a few weeks ago, enduring yet another horrific final round when in position to challenge for victory. For example, if Watson had finished with a 65 instead of a 74, the latter the highest last-round score amongst the top 40 finishers, he, too, would have been in that unbelievably exciting play-off alongside Graham and Crenshaw.

The great Jack Nicklaus was also at Oakland Hills, although virtually unnoticed, with a total of 294 that earned him $515 for a score that was exceeded only by the Wadkins brothers, Dean Refram, and two gentlemen by the name of Smoak and Coscine, who finished dead last at 303.

Of course, Oakland Hills was a mere pussy-cat compared to the monster that Robert Trent Jones had redesigned for the 1951 U.S. Open. It was then that Ben Hogan won the event, with a final round of 67 for a one over par total of 281 that matched that of Guldahl over the original Donald Ross-designed layout, and was just 15 strokes worse than the scores of 272 recorded by Graham and Crenshaw.

Last weekend, the fairways at Oakland Hills were too lush, the greens too slow and holding, the rough too ineffectual, despite the heavy rains both before and during the Championship. Such a tragically weakened course could have produced an unworthy champion, as everyone would have called Rex Caldwell if the leader by two strokes after three rounds had managed to repel the final charges of Graham and Crenshaw. As it was, Caldwell held on with commendable bravery for a score of 71 that gave him a two strokes edge in third place over another comparative unknown, Ron Streck.

The National Film Finance corporation is about to be re-structured. How valuable have its 30 years of operation been to the U.K. film industry?

Pounds and pennies in filming

FILMS

JOHN TERRY

AT THIS TIME, when the funding of the National Film Finance Corporation is being actively considered by the Government, it may be of interest to refer to the contribution which NFFC has made to the British film industry over more than a quarter of a century.

NFFC was set up by Government in 1949 in order to supplement the private sector (mainly film distributors) in financing British film production. Over the intervening period of 30 years NFFC has received from the Government an aggregate sum of £9.5m and, at March 1978 (the date of its latest published accounts), there was a deficiency of £8.5m. But this figure does not convey the full story. Over this period NFFC incurred operating expenses of £1.8m and interest charges payable to the Government, on the advances which NFFC itself had received from the Government, of £4.8m — a total figure of £6.6m. Thus it may be claimed that a net loss of less than £2m has been suffered: that is, something under £70,000 a year.

With this £2m, used on a revolving basis, NFFC has advanced over £31m for film production purposes and has helped to finance (frequently with the most speculative part of the budget finance) more than 750 feature films and 170 shorts — with decisions to lend almost invariably having to be made at "drawing-board" stage some time before the film goes into production.

Before the setting up (in 1976) of the National Film Development Fund, which NFFC administers, NFFC had also made over 200 separate pre-production advances (in respect of a still larger number of individual projects) aggregating more than £800,000, in order to commission the writing of scripts and to meet other preparatory costs before a film project reaches the stage where production finance can be attracted.

Although known as the Government Film Bank, NFFC is not a bank in the accepted sense but an investing organisation, since the majority of its loans are dependent for recovery on the success of the particular film. The risks are indeed worse than those encountered on the turf, and the form book is often less reliable. NFFC has nevertheless made profits on one in three of the films it has helped to finance.

This record, particularly within the context of NFFC's limited resources, is remarkable, for it is a record which no other established film organisation in Great Britain has equalled, certainly not over a similar period.

Throughout this time NFFC's Board of directors has been composed of members from outside the film industry—businessmen, merchant bankers, accountants, lawyers—but this tradition was broken when, in May, 1978, the Secretary of State for Trade appointed to the Board of NFFC two industry-related members. One of them, Mr. Mamoun Hassan, became managing director at the beginning of 1979. Both of them were leading members of the Association of Independent Producers, a ginger group set up outside the British Film Producers' Association.

This group has expressed the frustrations of those who wish to enter the very difficult arena of feature film direction and production, and who consider the established sources of production finance, distribution and exhibition to be reactionary and hidebound.

There is no doubt that these two (now three) members from the realm of films have brought a stimulus to the affairs of NFFC. But its present resources are small, as has been the case for many years, and no film recommended for financing by the new management has yet gone into production. It, therefore, remains to be seen what the new policies are and how well they will succeed.

In connection with the recent past, the record should perhaps be put straight. Two NFFC-financed films, *The Europeans* and *Black Jack*, which were shown at the Cannes International Film Festival earlier this year, were hailed by certain enthusiastic journalists not only as films to be proud of but also as examples of Mr. Hassan's new policy which was transforming the British film scene.

In fact, films take a long time to make and the films in question were both ones for which the previous management was responsible, and very closely responsible at that, since neither film was free of difficult and unexpected financing problems.

The decision to finance *Black Jack* was taken before Mr. Hassan became a member of the NFFC Board and *The Europeans* before he became its chief executive in January this year, shooting of the former having been completed in October and of the latter in November, 1978.

Mr. Hassan has nevertheless loyally supported these decisions, notably against criticisms of NFFC for having financed *The Europeans* because it was "non-indigenous." The film was produced by an Indian, directed by an American and shot in Massachusetts, but leading technicians, including the film's brilliant cameraman, Larry Pizer, were British; as were several members of the principal cast which was headed by Lee Remick, born in New England and now resident in England.

It is a comforting reflection that this film, which contains no sex of an overt kind and no violence at all, has been breaking the box-office record at London's Curzon Cinema by a substantial margin every week since it opened there on June 28.

Film is an international art and an international business and the funds of NFFC, although in the majority of cases these have been invested in thoroughly British subjects, should be deployed accordingly. Indeed, many of our best British producers and directors over the years have been Hungarian, Polish, Lithuanian or Russian. The most "English" actor of them all, Leslie Howard, was himself Hungarian.

Under previous managing directors the NFFC produced a record which includes many failures, a number of disasters, a wide variety of run-of-the-mill films which have nevertheless provided both employment (often including a start in the industry for technicians and performers) and entertainment, and some outstanding successes. The successes include, for example: *Maytime in Mayfair, The Third Man, The Wooden Horse, Morning Departure, The Tales of Hoffman, The Sound Barrier, The African Queen, Moulin Rouge, Genevieve, The Belles of St. Trinians, The Ladykillers, The Colditz Story, Private's Progress, The Baby and the Battleship, Yangtse Incident, The Smallest Show on Earth, Brothers in Law, Room at the Top, Carry on Nurse, I'm All Right, Jack, The League of Gentlemen, The Angry Silence, Saturday Night, Sunday Morning, The Day the Earth Caught Fire, Sparrows Can't Sing, Summer Holiday, The Servant, Dr. Who and the Daleks, Darling, Morgan, a Suitable Case for Treatment, Poor Cow, Ulysses, The Family Way, Till Death Us Do Part, Up Pompeii, Family Life, Stardust, Bugsy Malone* and *The Romantic Englishwoman.*

It is true that for too long NFFC has adopted a "low profile" and, as a back-room Government Agency, has not thought it proper to advertise its achievements. But its small and hard-working staff and its devoted Board members over the years deserve credit for what has been done to date on such very limited resources.

With regard to the future, the statement made to the House of Commons in a Written Answer by the Secretary of State for Trade on July 26 is encouraging. He then proposed that "a financial reconstruction should be effected enabling the NFFC to carry on with a clean sheet" (presumably involving the writing-off of the deficiency to date and the forgiveness of future interest payments); that a "limited amount" (at this stage unspecified but presumably on an annual basis) should be allocated to NFFC out of the British Film Fund (which derives from a levy on box office receipts in Britain and hitherto applied in the main to eligible British films in proportion to their commercial success in Britain); and that there might be "a modest but final Government investment in the NFFC" with a view to consultations "to raise further funds for the reconstituted NFFC from non-government sources."

The principal weakness of NFFC over the past 20 years has been under-capitalisation and it is therefore to be hoped that, as a result of this declaration of Government policy, NFFC will in practice be receiving a measure of financial support substantial enough to stimulate a growth of confidence and to implement a policy of maximum encouragement for talented British film makers, including those graduating from our excellent National Film School, so that they may have a full opportunity of adding their contributions to the developing story of the British cinema.

Sir John Terry was managing director of the NFFC from January 1958 until December 1978.

Lots of flies and little luck

FISHING

JOHN CHERRINGTON

ALTHOUGH I only live 20 minutes' drive from the Test, somehow or other this year I never seem to hit the ideal moment when a hatch of fly coincides with the hungry fish. I have been fortunate enough to catch the odd rising fish, and on average have not yet come home empty handed. This score looks like dropping to below par in a day or two unless things improve.

July is usually a very good month, but I understand the only really good week was when I was otherwise engaged. But I have been down on evenings when there have been absolutely masses of fly in the air and on the surface, and not a fish to be seen, not even a grayling to make a hopeful splash. Some have been suggesting that the Test is not as it was and that the fly life has been affected by such things as the new Andover Sewage works.

I think myself that it is a combination of several things. There is plenty of water in the river now, and it is beautifully clear at last. But there is no question but that the '76 drought altered the character of the river materially. Weed growth is recovering but there are still areas where the bottom is completely sterile. There has been a good deal of scouring during the last 12 months, and the lies must have altered. All this must have had some affect on the fly life and the behaviour of the fish.

There was also for the first time for some 20 years a very good hatch of Mayfly. I was away during the best of it, but there is no doubt that fish which have enjoyed the Mayfly are apt to disregard the smaller flies for some time after the Mayfly has finished in June. This is particularly so on the Kennet where I started my dry fly fishing. On that river after a thrilling three weeks in June, it was useless to go out until pretty well the end of August or September.

This is still the case today, but with the spread of put and take fishing even the best Mayfly stretches of the Kennet are being stocked, and the fish are being caught. But in the main with the nymph and not the dry fly.

I must confess that I do not really like nymph fishing at all, particularly the technique of searching the bottom for deep-lying fish. Some of the nymphs used look so like the pellets on which fish are fed in the stews that their resemblance to natural life is very slight. This is a great pity, because there is a very considerable measure of skill in using an upstream nymph correctly, particularly on a fish which is taking just below the surface, and only indicating its presence by the bulge on the water.

However, necessity knows no fine feelings, and the other evening I was determined to try and get a large trout for smoking as there seems to be little chance of a salmon. The water was clear and I found my fish in quite shallow water in a position where I was made more or less invisible by the background of a bush. She was a hen rainbow of about four pounds and was moving quite freely back and forth in the current, rising to investigate any small weed and other jetsom coming down stream.

As she was so near the surface I thought she might take a dry fly and flicked a little pheasant tail over her nose of which she took no notice at all. I increased the size on the theory that a big mouthful would tempt her up. I have often pulled quite large rainbows out of the depths by this means. Still there was no response, she went on questing across the stream without as far as I could see taking anything.

So I had to start on the nymphs with exactly the same result even when they could be seen floating within a few inches of her mouth. She wasn't shy of the nymph or of the line but simply wasn't interested at all. I fished her for an hour and a half without scaring her at all and left her for someone else in the end.

It is possible that she might have taken a wet fly worked downstream across the current but according to the rules this is not allowed, and in sport it is as well to keep the rules if in no other walk of life.

So I went home empty-handed, full of righteousness. I shall be back on the same beat in a few days' time, and if my freezer is still short of smoked trout my resolution about keeping all and every rule will be sorely tried.

FINANCIAL TIMES

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Saturday August 11 1979

The dog that did not bark

SHERLOCK HOLMES identified the villain of "Silver Blaze" because of the dog that did not bark in the night; it knew its master. During the last week the City has in its turn produced a significant silence. The gilts market, which had already shrugged off one sharp fall in sterling, showed equal coolness *in face of a further fall on* Monday, and of the apparently forbidding wholesale price figures which provoked that fall. By mid-week the silence was over. Marginally improved banking figures were enough to inspire new buying, which exhausted the long tap, and only a new £1bn short tap yesterday restored quiescence.

Convinced

The gilts market takes by far the greater part of the institutional flow of funds, and pays the closest possible attention to domestic monetary and economic forecasting. It now seems clear that its view of the outlook, expressed ever since the Budget in a sharply reversed yield curve, has only become firmer as time has passed. Despite excessive monetary and credit growth, high consumer spending, disappointing figures for Government borrowing, and grim warnings from Ministers about the difficulties we face, *the market remains convinced* that monetary growth will be checked, credit demand will abate, and interest rates will fall. Industrial talk of recession *reinforces this belief. Reports* of foreign buying further support the market. Above all, the market is soothed by the sound of firm government—its mistress's voice, as it were.

Special factors

It is worth considering how far this confidence is justified. The inflation figures frightened the currency markets—until they saw worse-than-expected figures from other countries; but investors in London were unimpressed. This is certainly consistent: if it is firmly believed that very tight monetary restraint will be achieved—and the Chancellor reaffirmed his determination—then it is inconsistent to worry about one month's price figures. The consequences of monetary restraint—strong sterling, strong competitive pressures and reduced import price inflation—should in due course appear. Sterling is much higher than the Treasury assumed when it made its Budget forecast of 17½ per cent inflation by the end of the year; projections which point higher still imply a failure of present policies.

It is indeed doubtful whether the latest wholesale price figures do represent a trend. They are boosted by two special factors. The first is the impact of a sharp jump in oil prices; they also probably reflected the effect of winding up the Price Commission's powers. The Commission's main achievement, on its own admission, was to im*pose delays; with the end of* its powers, increases working through the old three-month cycle may have coincided with quicker increases from companies with heavily compressed profit margins.

Not clear

It is not so clear, however, that the underlying confidence in successful monetary policy is so consistent with the evidence. Large quantities of Government stock have been sold, it is true. Even so, forecasts which suggest a trouble-free funding programme for the rest of the year have to postulate a sharp reduction in Government borrowing, despite the impact of income tax cuts, and an equally sharp improvement in the trend of private sector loan demand.

We do not at this stage know enough about the trend of private spending and saving, or of the Government's actual success in cutting public outlays rather than future programmes, to justify such forecasts. It is not even clear how far the heavy sales of stock represent domestic funding. Foreign buying does not contribute to monetary control; it cannot therefore support the market in the long run.

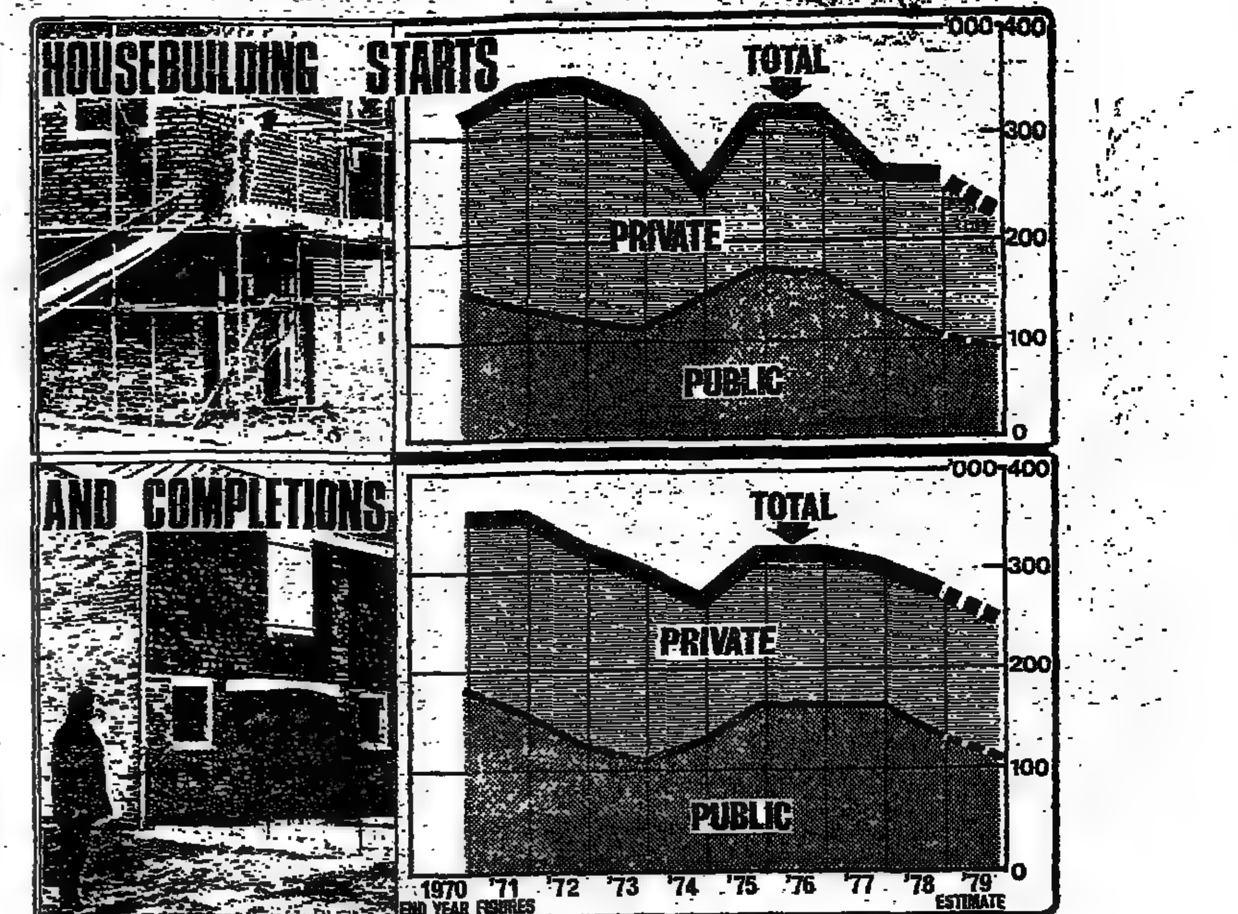
Wage settlements

The fact is, as Ministers and employers seem to understand better than investors, that everything is yet to play for. Government determination can help to sell stock and thus to achieve monetary control; it cannot so readily check consumer spending and borrowing, and above *all it cannot control costs.* What has yet to be discovered is whether the demanding environment created by Government policies will in fact lead to *tolerable wage settlements* in the coming round, or whether industry will concede excessive increases, squeezing its own financial position still further and thus challenging the Government to yield on policy—as the TUC has already suggested. This is the doomsday hypothesis—a kind of economic China Syndrome—and it is reasonable to hope that commonsense will produce a better outcome. But it is too early to assume that all is bound to go well.

So far Ministers have remained conspicuously silent on the depressed state of new housebuilding

The missing link in the Government's new package on housing

BY MICHAEL CASSELL



WHILE announcements on housing policy from the new incumbents at the Department of the Environment continue almost daily, the Gov*ernment's plans for regenerat*ing one of the lowest new house building programmes in post-war years remain conspicuously absent.

In the first throes of enthusiasm, Ministers have issued a daunting list of wide-ranging proposals aimed at tackling what they regard *as a new* generation of housing problems. So far, however, the task of improving on the historically poor level of new housing output has not featured in many of the public pronouncement.

Mr. John Stanley, the new Minister for Housing and Construction, said a few days ago that Britain's housing needs and preferences were undergoing "a profound sea change" and he *and his colleagues have wasted* little time in publicising their strategy to adapt to the new climate.

Proposals to give tenants the legal right to buy their council homes, or at least to own a part-share in them, have been accompanied by plans which embrace a revival of the private rented sector and a new deal for council tenants, including security of tenure and access to improvement grants.

Resources wastage

In the words of Mr. Stanley: "If we try to tackle the housing problems of the 1980s with the perceptions of the 1960s we will fail to meet the real needs; we will find ourselves providing the wrong type of housing and the wrong forms of tenure and we will be in danger of wasting scarce resources on a very large scale."

But so far Mr. Stanley has said little on the prospects for new housebuilding, and those are generally considered to be distinctly gloomy. Although it is now commonly accepted that the required level of construc- is unlikely ever to return to the peak years of the mid-1960s, the present programme is well short of what is generally regarded as necessary to meet demand. And there are no signs of a medium-term improvement.

Taken together, the total number of homes due to be started this year in Great Britain is put at a maximum of 225,000 against 264,000 in 1978.

These figures compare with the 350,000 housing starts being made annually in the early 1970s and with totals of well over 400,000 a little over a decade ago. But if, largely for demographic reasons, such compari*sons* are no longer strictly relevant, it is still the case that the current level of new housebuilding activity is significantly below what is considered to be the "correct" and sustainable level.

The Green Paper on housing policy prepared by the last government and widely *accepted as representing a sen*sible and comprehensive appraisal of housing needs and trends, suggested that an annual programme of 320,000-330,000 new homes would be necessary for the 1980s. A document published by the Building Economic Development Committee at the National Economic Development Office, suggested there would be a need for about 275,000 new homes a year throughout most of the next decade.

Today, it is difficult to see how such historically modest targets can be met. It is at once clear that throughout the life of the present Government—which is likely to last long enough to establish house building patterns throughout most of the 1980s—new public sector housing will have a minor role to play in meeting housing needs.

In talks with the house builders immediately after the General Election, Mr. Michael Heseltine, the Secretary for the *Environment, has made it quite* clear that local authority housing is considered by the new Government to be a "dead duck."

The public sector's decline was, however, well underway by the time Mr. Heseltine moved to Marsham Street. Public housing starts as a whole (including those made by New Town corporations and housing associations) have fallen steadily from a 1975 peak of 174,000 to 107,000 last year and this year are not expected to go beyond 90,000.

Last year, public sector housing approvals reached just 97,000. Of this figure, only 67,800 involved council building programmes (against the 1975 peak of 123,000), with the bulk of the remainder accounted for by the growing programme of housing association work.

Neither can the councils' role in the provision of new housing be expected to do anything but decline further. Mr. Heseltine this week eliminated their previous underspending and fixed future construction programmes to the low levels recently achieved.

Public sector refusals

Often for political reasons, Conservative-controlled local authorities consistently refused to sanction public sector house building programmes for which central government funds had *been allocated by the Labour* government. Spending fell further and further below authorised levels and in his last months as Minister of Housing, Mr. Reg Freeson was openly exasperated at the number of councils which continued to ignore his threats to divert resources to more responsive authorities.

Total public sector starts next year are due to fall to around 85,000, with a repeat of further decline likely in 1981. The number of public sector homes due to be finished and ready for occupation this year will be around 110,000, though again this figure should fall to around 85,000 by 1981 (half the totals being achieved in the mid-1970s).

The Government is clearly expecting the overwhelming proportion of new building to be carried out in the private sector, around which its housing strategy revolves. But private contractors, who will this year make a start on about 135,000 homes against 157,000 in 1978, have not managed to break the 200,000 barrier since 1973.

Despite the previous government's projections suggesting a need for at least 215,000 new private homes a year for the foreseeable future, little significant improvement in current building levels is being predicted by the builders or by anyone else. Completions cannot be expected to run any higher than about 140,000 a year compared with nearly 200,000 in the early 1970s.

For the builders themselves, the present situation is a fairly healthy one. After a four-year period when costs rose at three times the rate of house price increases, the past eighteen months have seen average prices for new property rise by around 50 per cent, signalling a welcome return to profitability.

Although the recent rise in prices could be expected to encourage some recovery in output, part of the increase has been matched by the rising price of land and profit margins have not, therefore, widened as much as might have been imagined.

For the most part, builders are reluctant to stick out their necks and contemplate any major expansion of activity. According to Mr. Roger Humber, Director of the House Builders Federation, "many builders have not now got enough confidence to put homes on the ground. We are trying *to be as optimistic* as possible but finance costs are prohibitive and there is a good deal of uncertainty surrounding the prospects for mortgage finance.

"The outlook for profit margins is again in doubt and we are wary of consumer reaction at a time when all the signs of another recession are around."

There are also fears that another aspect of the Government's housing policy—the proposed large-scale selling of new and exising council homes to tenants—could undercut the demand for new private houses.

The likely impact of the pro*gramme remains very uncertain,* with reaction to the plan varying significantly between authorities and different parts of the country. The view in some government circles is hardening along the lines that the "carrot" of home ownership being offered to tenants may only be acceptable if a stick, in the shape of sharply rising rents, also exists.

If the demand to buy does reach sizeable proportions, the building societies seem certain to be asked to play a role in *providing finance, adding* a further burden to their already heavy load and again putting pressure on an interest rate cartel which, it can be argued, *limits their real ability to attract* funds.

The societies will not view any such additional role in a kind light and are already pointing out that the *transfer of* ownership from the local authorities to the tenant need only involve a book-keeping transaction and that their involvement will simply provide a useful solution for a government anxious to limit its own borrowings.

As with council house sales, *Mr. Heseltine has not pledged* himself to any particular targets for new house building and, in the generalised manner which has apparently irritated many of those he has consulted, simply confined himself to calling for "a lot more."

But if private house builders are to step up and maintain *higher output* levels over the next few years, they will be demanding a price from the Government. They say they await a more positive approach on the matters directly affecting their future livelihood, such as action over improving land supplies and details of the system to replace the lost and not lamented Community Land Act. Development Land Tax, they say, has been reduced but what changes in the betterment levy system can the industry expect?

Price for builders

Last week's announcement that Mr. Heseltine is considering legislation to charge developers for planning applications in an attempt to cover the cost of local planning machinery, suggests that the obstacles to expanding housing *output are not going to be* removed without the builders also having to pay a price.

In any forthcoming initiative to boost private housing output, Mr. Heseltine is only too well aware that he cannot regulate the supply of new homes or dictate the type of houses built (an increasingly important factor as demand patterns change) in the same way that he can impose his will on the public sector.

Both the Government and the house builders know that demand for home ownership has never been stronger—55 per cent of the country's housing stock is in owner-occupied hands and 80 per cent of young people expect to be home owners within ten years. But they also know that the extent of the building industry's contribution to satisfying that demand will essentially always revolve around confidence about the future availability of mortgage finance and the likelihood of reasonable profits.

Ownership consensus

So Mr. Heseltine will undoubtedly find it easier to pursue his plans for stimulating the concept of home ownership than to bring it about. It is worth remembering that, despite the rapidly-growing consensus that owner occupation is the ideal *form of tenure for most people,* the percentage of privately owned homes within the total housing stock has risen by just three percentage points since the start of the 1970s.

The schemes recently announced to help spread the philosophy and practice of self-reliance in housing are all regarded by the Government as ways of maintaining momentum towards an owner-occupied society which keeps a public sector merely to fulfil a social role which is always likely to be necessary.

The plans have already run into fierce opposition from political parties, pressure groups *and members of the public who* complain that moves to sell off council homes will, in the words of Mr. Frank Allaun, chairman of the Labour Party, "heap privi*lege upon the privileged.*"

It will be for Mr. Heseltine, who this week recruited from the building industry a special adviser on housing matters, to *solve the problems thrown up* by his new housing strategy and convince the critics that his only objective is to provide what most people now want.

Letters to the Editor

Accounts

From Mr. J. Whinney

Sir,—The recent correspondence in your columns shows a misunderstanding as to the possible objectives of an audit.

Auditors have now for a generation been obliged by law to state whether or not in their opinion the accounts presented *to them by the directors show a* true and fair view. This requirement has become so deeply rooted in people's minds that they think that an audit must *of necessity result in such an* opinion. This is not so. It is only the law which says so.

It is common ground among your correspondents that for many small companies it is impossible for an outside person, however highly qualified, to assure himself by means of valid source information that the accounts are true and fair.

The solution to this problem is the amendment of Section 14 of the Companies Act, 1967. The present requirement would remain in respect of larger com*panies, but for smaller proprie*tary companies the auditors would be required to say whether in their opinion the accounts are in agreement with the books and records and whether they accord with the explanations given to them. The obligation imposed on the directors to prepare true and fair accounts would of course remain for all companies.

The merits of this solution would be that all companies' accounting records would continue to be subjected to independent scrutiny and that the auditors would no longer be required to say more than they are reasonably capable of independently verifying. So far as the consumer is concerned the final product would be not much different from what it is today.

J. A. P. Whinney.
25, Battlefield Road,
St. Albans, Herts.

Audits

From Mr. R. Waldron

Sir,—Mr. Ian Percy (August 1) sums up the problem admirably but his solution is wrong, as Mr. Dauris (August 6) very properly points out, stating that this matter of audit difficulties is a matter for accountants to sort out among themselves. Certainly a profession which seeks to achieve a status in the community does little to commend itself by avoiding a task that now appears difficult.

The community is wider than the investors designated as "shareholders," and the ability to trade with limited liability calls for accountability.... Why should that obligation not be strengthened by audit, and why should not accountants be able to devise methods to do so?

Professor Shaw (August 7) is also right in suggesting that auditors can help the directors of small companies to under*stand and discharge their report*ing responsibilities. Many in fact do so.

R. S. Waldron,
8 Broadoaks Way,
Bromley, Kent.

NHS

From Mr. D. Kenny

Sir,—It is important for the National Health Service that the true nature of its current difficulties is properly understood by the general public, and unfortunately in your item on August 2, "The lessons of Lambeth," your reference to the structure was misleading.

Administrators in the NHS agree that the present politically imposed structure is cumbersome and have consistently argued for its simplification. They have also pointed out, without success, that the term "administrative" staff includes medical secretaries, ward clerks, clinic receptionists, medical records clerks and the like. These staff are a direct benefit to patient care in that they allow the health professionals to work in the most effective way. Reduce that large proportion of "administrative" staff to their 1973 levels, as you *suggest,* and patient care would be impeded.

As for the management element of "administrative and clerical" staffing costs, the NHS gets its *management* (as it does its doctors and nurses) on the cheap. The total management cost of the NHS is 5½ per cent. This compares favourably with local government (9 per cent-11 per cent) and manufacturing industry (12 per cent-17 per cent). Management costs, as with any other overhead, should be kept as low as possible, but there will be a point where the organisation as a whole will suffer. The NHS problem is much more one of under-management of which indeed the present structure is one of the main, but not the only, cause.

D. J. Kenny.
131 Maze Hill,
Blackheath, SE3.

Capital

From Mr. J. Broad.

Sir, — Councillor Ewing (August 7) advocates a capital gains tax on the sale of private houses.

If he agrees, however, that such a tax should be levied (if at all) only on realisable gains, could he explain how this is to be achieved when a house, for most of us, is an absolute necessity of living.

An ageing couple could conceivably make a gain but does he wish to legislate against this category of citizen?

In any event, he seems to have fallen into the trap of weighing bricks and mortar against politically controlled paper money, of which the latter is losing value rather than the former gaining it.

J. Broad.
74, Shenley Hill,
Radlett, Herts.

Selling

From Mr. R. Turner

Sir, The view of home ownership as a passport to tax-free riches seems recently to have progressed from the fashionable to the axiomatic — as is illustrated in Councillor Ewing's letter of August 7.

The logic of this view eludes me. Is it not a fact that the vast majority of house sales are made by people needing to purchase an equivalent property, usually as a consequence of changing jobs? Some people made windfall gains by moving to cheaper areas in the early 1970s. In today's markets surely few are able to realise and retain any substantial cash profit on a move. So, after tax has been levied on a "capital gain" — presumably expressed in cash rather than real terms — how is the new purchase to be financed?

Equity considerations apart, current experience of stamp transfer duty evasion indicates the relish with which purchasers and vendors alike would arrange phoney transfers of costs from taxable property to furnishings and moveable goods.

*There is of course an excep*tion in that some people retire to a smaller property and use the balance to live on, incidentally releasing a larger property *to those who need it. Is this to* be discouraged?

As a corollary, I would ask why recitals of the financial benefits of home ownership never mention the burdens (both financial and non-financial) which each house-owner supports in insuring and maintaining his property?

Richard H. Turner.
8 Kenmore Road,
Kilmacolm, Renfrewshire.

Houses

From Mr. J. Waghorn.

Sir,—I read the letter (August 7) from Councillor Ewing of Glasgow with horror. If he belongs to the ruling party I fear for the sensible administration of the city for the idea contained in his letter is ill thought out.

Application of capital gains tax to owner-occupied dwelling-houses would be *either* unfair, if simple, or fair but wasteful of taxpayer and taxman's time in the necessary adjustments.

Most so-called gain is due to the general level of inflation and fairness would require indexation. Many owner-occupiers improve their properties and even if an owner has kept every receipt over the years time *wasting distinctions would have* to be made between a repair and an improvement. Roll-over relief would have to be granted otherwise movement between similarly-priced houses would diminish with consequent damage to job mobility. ("What the taxpayer never has, he never misses" certainly does not apply here!)

As everybody, even in Glasgow, has to live somewhere, most such CGT revenue would be raised on death or upon a move from the owner-occupier market. Both would militate against old people. One of the advantages of inflation of property values is that a pensioner is able (and under several present schemes not necessarily by selling-up) to convert capital gain into income to supplement non-inflation proofed pensions.

Julian Waghorn.
35, Wincanton Road, SW18.

Dewars

From Mr. H. Wolifson.

Sir,—Your report under "Cryogenics" of August 2 (Technical Page) mentions "Dewars" as containers of liquid helium. It must be nearly 60 years since I last heard that word. Is it still commonly used in cryogenics?

Sir James Dewar invented this type of container to hold the nitrogen, helium etc that he managed to liquefy at very low temperatures. When somebody made commercial products *utilising Dewar's invention,* they were known as "Vacuum flasks" or "Thermos flasks." Thus the Scottish origin of an article now in universal use is unknown. There was in the 1920s a German firm called Deutsche Dewar Flaschen Fabrik that made the vacuum flasks that were retailed here as 1s. each. I do not know if Dewar himself had any interest in this firm, he died in 1923.

H. Wolifson.
32, Ayr Road,
Giffnock, Glasgow.

Chips

From Mr. B. Clay.

Sir, — If, as Prof. Hampshire says ("Saving Fuel," August 7), *significant fuel saving could* be achieved by using microelectronics for engine management, why have we heard so little of British cars (except Aston Martin) *using micros?* Is this a case of British industry waking up too late again?

Assuming we are finally aware of the potential of microelectronics, could we not capitalise on this realisation and save ourselves more fuel by putting computer control into all fuel-burning plants, mobile or static? From a 5 MW smelting plant down to the humble central heating boiler, considerable energy could be saved. But let us not just replace the mechanical components with their more reliable solid-state equivalents, we must use the full computing power now available in micros to put real intelligent control into these systems.

Now that "Lombard" seems to be enlightened as far as the employment aspects of the micro revolution are concerned (*"Using chips to forecast doom"* July 23, and *"Chips alone are not enough"* August 7) let us hope that the rest of the country will follow this lead and allow British microcomputer industry to flourish and save our valuable energy.

B. R. Clay.
Bleasdale Computer Systems,
7, Church Path,
Merton Park, SW19.

Food

From Mr. D. Bloom

Sir, — Now that Britain's monetary compensatory amounts have been phased out, would it not be simpler to refuse to reimpose them even if the exchange rate of the pound falls again? Then the "devaluation" would have the natural consequence of making British farm produce more competitive, even if it raised the price of imports — in the same way that it would for all other commodities.

Similarly we should be pressing for the EEC financed export subsidies on German food exports and the taxes on their food imports to be abolished. There is nothing particularly communitaire about giving the *farming sector of Europe's* most prosperous economy a specially protected status, and creating unsaleable surpluses in the process. Of course, the budgetary burden must be shifted.

Derek Bloom.
47 Old Church Street,
Chelsea, SW3.

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Ice cream feels the cold

By DAVID CHURCHILL, Consumer Affairs Correspondent

WITH temperatures around Britain this summer only average or below—in spite of some prolonged sunny spells in a few parts of the country—Britain's ice cream manufacturers are already beginning to feel the cold.

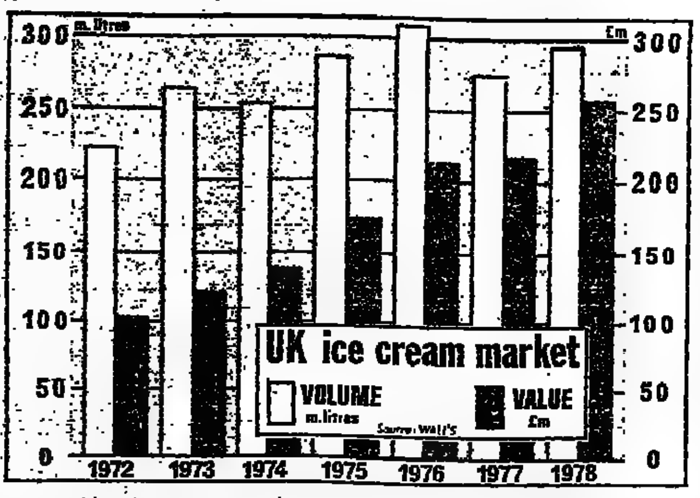
Experience has shown that during the crucial 10-week summer selling period between June and mid-August, each degree variation above or below the seasonally normal, affects ice cream sales for better or worse.

Although July temperatures were average, the poor June weather has meant that ice cream sales are running some 4 per cent below target.

Weather plays such an important part in determining the level of sales that ice cream executives have fond memories of the heatwave summer of 1976 when sales reached a record 312m litres. Since then two relatively poor summers—with the prospect of a third this year—have seen sales of only 275m and 295m litres respectively.

Certainly, ice cream manufacturers seem more concerned about the weather prospects than they were about criticisms made last week by the Monopolies and Mergers Commission report on the industry. The Commission found that certain monopoly practices relating to the exclusive supply of ice cream to retailers operated *against the public interest.* While both Walls and Lyons Maid do not appear unduly worried by the report, how vigorously the Office of Fair Trading now pursues the matter will be an important test of the Government's often-stated desire for a tougher competition policy.

The threat posed by the Monopolies Commission is only the latest potential upheaval in an industry which has experienced some substantial market shifts



throughout the 1970s. Even the Monopolies Commission admits, rather picturesquely, that the ice cream business has come a long way from the days of the "gaily painted hand carts of the itinerant ice cream vendor plying the products of his craft and later, the "stop me and buy one" tricycles with insulated boxes." Ice cream, the Commission adds, is a very old established trade which has been transformed by mass production methods and the demands of an affluent society.

Such demands have meant that, in spite of recent poor summers, the volume of ice cream sold is now about a third greater than in the early 1970s. Such overall volume growth is even more significant when set against the static volume sales of food in general.

More importantly for major ice cream manufacturers, ice cream has achieved a marked sales value growth in recent years—up from £216m in 1977 to £258m last year.

Both Walls and Glacier Foods (the holding company for Lyons Maid) are monopoly suppliers according to the Monopolies Commission's report. Current market shares are estimated at 37 per cent of the market for Walls, and about 31 per cent for Lyons Maid.

The growth in sales has largely arisen from the remarkable resurgence of high-value confectionery ice creams, such as Walls' Cornetto and Lyons Maid's King Cone. Between them, these two ice creams probably represent over a tenth by value of the total ice cream market: such brand dominance would have been unthinkable a few years ago.

The ice cream market is split into two types: confectionery ice creams bought on impulse and bitten or licked; and ice cream bought in bulk for eating at home with a spoon.

Although it is difficult to calculate the exact split between the two markets because of overlapping of various sub-sectors, in general the impulse and bulk sectors are evenly split in terms of value, but split 70—30 in favour of bulk ice-cream sales in terms of volume.

The traditional ice cream market in the 1950s, 1960s, and early 1970s consisted mainly of impulse sales of confectionery ices—such as cornets and choc ices—with a limited amount of ice cream taken home for eating. There are over 112,000 small grocers and confectioners, tobacconists, and newsagents (CTN in marketing jargon) who are supplied by either Lyons Maid or Walls and are the main source of impulse sales.

In the early 1970s, however, the traditional outlet for ices bought on impulse started to come under various pressures. The declining birth rate in the early 1970s threatened to impose limits on volume growth of impulse buys by children, who historically had dominated the market since adults until quite recently were reluctant to eat ice cream in the street. Moreover, the battle for a share of children's spending money became more intense with the development of the savoury snacks market.

In addition, the CTN and small grocery outlets began to decline as a result of rising costs, increased competition from major multiples, redevelopment of town centres, and the general trend towards self-service and one-stop shopping. The CTN sector alone has shed over 8,000 businesses net since 1971, with the present total standing at about 44,000 shops.

Yet without doubt the major threat to the traditional ice cream market developed in the early 1970s with the growth of consumer demand for ice cream to be bought in bulk and stored at home in a domestic freezer. (The proportion of homes with domestic freezers has increased from 13 per cent in 1972 to 42 per cent last year.)

This demand was met by the supermarket multiples and freezer centres which soon made clear their need for high volume of bulk sales at low margins. The danger for the established manufacturers such as Walls and Lyons Maid — whose strength was with the large number of small outlets—was that ice cream appeared to be on the way to becoming a commodity rather than a branded food product.

The supermarkets promoted ice cream sales on low prices, and thus put heavy pressure on manufacturers to trim margins for higher volume sales. It soon became apparent to Walls and Lyons Maid that smaller manufacturers, by concentrating on a few ice cream varieties and producing them in bulk, could easily capture a large part of the bulk ice cream market. Market research by Walls indicates that by 1977 about 55 per cent of consumer spending on take-home ice cream was on products produced by manufacturers other than Walls or Lyons Maid.

The response adopted by the big manufacturers to these double-edged pressures — declining impulse sales and low profit margins on bulk sales — was led by Walls which, the Monopolies Commission suggests, has outperformed Lyons Maid. "Walls' performance may be better because it anticipated better the shift in the market to the grocery sector, and has secured in the past a larger share in the more profitable areas of the traditional sector," the Commission says.

Soft scoop

Walls' response was based on both marketing and technical developments. In 1975 it launched "soft scoop" ice cream, which could be scooped straight from a freezer. Lyons followed within six months and other smaller manufacturers have followed since then.

The marketing response was even more successful. In 1976 Walls successfully launched on to the UK market—at the third time of trying—what it claims is the world's most popular ice cream: Walls' Cornetto ice cream cone. This is a crunchy sugar cone, lined with chocolate to stop it going soggy, and filled with ice cream and topped with hazelnuts and chocolate.

Hugh Routledge

Impulse-bought ice cream outside the Office of Fair Trading.

The crucial point is that since Cornetto is aimed at the adult impulse market — which now accounts for nearly half the impulse sector—it could offer a more sophisticated and higher priced product which could provide profits rather than just volume sales.

But it has taken 20 years for Cornetto to be accepted in the UK. Market research has shown that UK consumers believe that the best ice cream comes from Italy and, in fact, it was in Italy in 1959 that Walls' Cornetto was first introduced. Throughout the 1960s the Cornetto brand was developed in most European countries and in 1964 Walls attempted — *unsuccessfully—to launch it on* the UK market. Research showed that adults felt it was childish to eat ice cream cornets, especially out of doors.

In 1970 Walls tried again but still failed to make an impact on the British market. But in the early 1970s changing social attitudes and holidays abroad were reducing this adult aversion.

Walls was fortunate in that its next re-launch—in 1976—coincided with the exceptionally hot weather of that summer. Retailers soon ran out of all types of ice-cream; whatever lingering consumer resistance existed was soon brushed aside. In 1977, Walls built on its success by launching its famous television advertising campaign using Italian locations. Cornetto now has sales of some £20m, which represents about 15 per cent of all Walls' ice cream sales.

Lyons Maid hit back in 1977 with its own cornet ice cream, called King Cone. Like Walls, Lyons had previously made a bid for this market in the mid 1960s and for several years had persevered until withdrawing the product in 1971.

Although the talks between the Director General of Fair Trading and Walls and Lyons Maid have yet to get under way, the companies do not expect to be forced to make any radical changes in their businesses.

The Commission, for example, had concluded that manufacturers may supply retailers with refrigerated cabinets for exclusive use of their ice creams, but recommended that retailers be allowed to seek alternative supplies if the original manufacturer could not provide scheduled ice cream deliveries. But Walls at least is already quoted in the report as not insisting on exclusive use of cabinets if supplies are interupted. (As they were during a recent industrial dispute.)

The other main recommendation was that suppliers may not insist that particular retail outlets should only accept ice creams from one source. However this may not be as far-reaching as first appeared. Walls again pointed out in evidence to the Commission that it no longer insisted on strict exclusivity of supply. Lyons Maid argued to the Commission —and is likely to argue again before the OFT—that in the interests of keeping down distribution costs and avoiding market fragmentation, some tie-up with retailers was necessary to protect the consumers' longer-term interests.

But, in the end, it all comes back to the weather. With August already starting off as a below average month for temperature and sunshine there seems little prospect of a major boost to sales from the sun.

Weekend Brief

The puzzle of the incognito Chinese brush . . . What's brewing at London Rubber . . . why Britain's American residents worry about money . . . and Mr. Holiday's trip.

A brush with the Chinese

The past few days has seen a flurry of comings and goings over what promises to be the great brush row, a small matter of international trade which could sour the sweetening relationship between Britain and China. The problem finds its roots in a liberalisation of trade between the two countries. While British salesmen hurry off to Peking armed with plans for high technology, the eager Chinese are busily rushing towards our shores with arms full of paint brushes. The British brush industry is not amused, and this week it has been telling both the UK Government and Chinese trade officials that before too many local brush makers are put out onto the streets some rules must be introduced into the game.

Brush making in Britain gives work to 13,000 people and turns over around £30m a year. The Chinese brush is inscrutible, like its makers. It has no manufacturers marks and so cannot be identified as non-British. One thing it does have, however, is numbers. This year China may make 100m paint brushes, 80 per cent of which go for export. By 1984 the number could be 200m.

Both the bristle and brush side of Chinese industry is controlled by an organisation with a name which, in the environmentally conscious West, would produce the combined cohorts of Save the Badger and Save the Wild Boar into demonstration outside its doors—the Chinese Animal Bi-products Corporation.

China is about the only source of pure bristle left in the world and only recently have they plunged into the UK market for manufactured end product. As a first move the UK brush makers would like to see Chinese brushes have to meet British standards, and carry marks that they were of Chinese origin.

If nothing happens the view of the future is bleak if an internal memo from one brush-making chief executive to his group board is to be believed. ". . . I must admit to pessimism over the long term impact of Chinese competition on our operation. I have been impressed by the determination of the Chinese to secure a significant share of the brush market in Western Europe and in most of our major markets," he says.

"As to their capability of doing so, a wholly state-directed workforce deriving from a population of 900m, happily working eight hours a day, six days a week, 51 weeks a year, for wages of between the equivalent of £2 a week unskilled to £5 for the top brush making skills is bad enough. If to that is added the advantage of controlling the basic raw material, it must be apparent that the threat is a real one."

And, as someone else put it: "We survived the vacuum cleaner and the paint roller, only to be faced with this."

Trevor Humphries

Michael Montague: see Hot Foot to the South coast

The natural move to home brew

This weekend British pubs are likely—especially if the sun shines—to sell something approaching 75m pints of beer at a price of around 34p or more. But another 1m pints will also be downed by tomorrow night—yet these will only cost a fifth as much.

The difference? This beer will have been brewed not in the giant vats of a modern, mechanised brewery but in the drinkers' home, most likely utilising a large plastic dustbin with the aid of a great deal of rubber tubing. While the end result of home brewed beer may not be of the same consistency as in the local pub, the home brewer will usually be the last to complain.

With one in eight of the adult population having admitted to brewing their own beer or fermenting wine in the past year, the results cannot be all that bad. But the price differential is only part of the reason why home brewing is now regarded as one of the fastest growing leisure businesses, with the market having quadrupled to £23m in the past six years.

The main reason for this growth, according to research carried out by new entrants to the market, LRC International, is that making beer and wine at home qualifies primarily as a hobby activity in which the cost savings over bought wine and beer are a useful—but not crucial—factor.

LRC, which produces a variety of consumer products ranging from Marigold rubber gloves through to Wright's coal tar soap and the ubiquitous Durex contraceptives, is about to launch its own beer and wine kits (under the brand names Dakins beers and Ducard wines) in an unprecedented fanfare of publicity. LRC has earmarked a £250,000 press and television advertising campaign for the launch—which represents in one promotional spending spree more than the rest of the other small home-brew companies spent in the whole of last year.

LRC's determination to make a splash in home-brewing—it is looking for some 15 per cent of the market in the first year —is part of the company's overall aim of finding new growth areas to supplement its basic rubber technology.

Home brewing was seen as a particularly good area since the it was a product that could be sold to chemists and grocery outlets already regularly visited by the company's salesforce. Boots the chemist is the number one retail outlet for home brew kits.

The market leader at present in the supply of kits is the Tom Caxton brand from Colman Foods of Norwich. But the rest of the market is made up of small specialist companies.

Research has shown that of the 7.5 per cent of adults who made their own beer or wine last year, *one* in four bought kits regularly once a month. The end result is up to half a million pints of home brewed beer being drunk a day. However, it is sales of wine kits that LRC's sees as the main growth area in the 80's.

Still, as generations of little old ladies making elderberry wine have shown, you do not always need to buy the basic ingredients for successful wine making. One enterprising Yorkshireman recently proved the point with a wine fermented from Yorkshire puddings—"for drinking with roast beef, of course."

On being paid in dollars

The summer of 1979 has not exactly been a party for those Americans who are working and living in London and are getting paid in dollars. Rather, the U.S. diplomats, bankers and other executives posted here have been coping in different ways with the less than robust greenback.

Employees of the American Embassy are sorting things out over at Grosvenor Square through access to better exchange rates than those available in banks, by purchasing subsidised goods and by receiving a quarterly cost-of-living adjustment.

The Navy cashier at the embassy has a special way of keeping rates down for dollar-paid diplomats. The Navy office in London buys large quantities of sterling whenever the rate is particularly good. These pounds are held at the purchased price. As a result, there are lengthy queues, stretching onto the streets of Mayfair whenever the pound is strong and the Navy cashier still has pounds left at the old rate.

American government commissaries operate for the benefit of U.S. employees at several locations around London. Embassy personnel and military *can buy subsidised groceries* and duty-free electronics, clothing and other goods. Petrol is 30p cheaper per gallon for these Americans because there is no tax charge.

Finally, U.S. embassy staff receive a cost-of-living indexed allowance which is re-evaluated approximately every three months. This is a calculated market basket of the price of living in London. It can be as much as 25 per cent above base pay of U.S. employees.

But all of these devices still leave some Americans none too sanguine about the dancing dollar. One U.S. diplomat summed up the situation like this: "It isn't quite like living in Weimar Germany yet, but we're developing a hyper-inflation mentality."

Over at Chase Manhattan in the City, U.S. bankers have worked out a "trigger system" that is used when currency exchange rates dip below a reasonable level. The system is based on an exchange rate which is viewed as acceptable. When the level is lower, there are compensatory payments to employees. This is a practice common at many U.S. banks in London, a goods-and-services adjustment which prevents American employees from suffering too much. Nevertheless, one lending officer at Chase described the situation as "concerning." "During the last few weeks, some of us have been racing to the bank to cash our dollar cheques as soon as they come out of the envelope," she said.

Other businessmen with U.S. firms here complain that they are feeling the strain more than their colleagues back in the States realise. "It is the regular subject at cocktail parties," said one car rental company executive.

Despite all of these headaches though, the general feeling among London-based Americans is that it is probably worth the "hassle" to live here. As a reporter with the New York Times London Bureau put it: "Dollars can't buy culture. This is still the most livable city in the world."

Hot foot to the South coast

Sun-seeking sybarites still searching for a vacation destination that comes with a cast-iron no-rain-for-fourteen-days-and-fourteen-nights guarantee need look no further. Codden, on England's sunny South Coast, is in for two glorious blue-skied weeks starting next Friday. I have that on excellent authority: the chairman of the English Tourist Board, no less. And he says he has it from a very reliable source of information, his nose.

"I always trust my nose," says Michael Montague, who took over as ETB chairman last March. "I was trying to decide when it would be finest, and my nose started twitching at the thought of August 17. It hasn't twitched so hard for 10 years—not since I decided to switch Valor [he is also chairman of Valor, the heating and cooking *equipment company] from oil* to gas. I promise you it won't rain for two weeks."

Montague will holiday in Codden, not far from Eastbourne, where his brother has a tennis-coaching and language-teaching resort for European students, without his umbrella but with his two Pomeranian dogs Aya and Chichibu.

"They're named after two Japanese princesses I met when I was chairman of the Asian Export Council. I used to go out to Japan about four times a year during that period between 1964 and 1971 to organise British trade shows and exhibitions, and the princesses were a great help. Princess Chichibu, especially, was always a great friend and supporter of Britain."

As chairman of the highly *successful Valor Gas,* Montague's appointment this years as chairman of the ETB might have seemed a trifle outré to those not aware of the jovial bachelor's track record. But, as he says himself, he is eminently suited for the post. And he is not referring to the twitching nose.

"Valor Gas has a catering equipment company which supplies people ranging from fast-food operators like McDonalds to hotels like Inn on the Park. I know all the main food and hotel people by name, which is very important in this job. Apart from that I have my *experience as a hotelier: from* 1964 to 1974 I owned and operated two tourist hotels in *Cyprus.* Yes I often physically operated them, working behind the desk checking people in and out.

Montague no longer operates the hotels in Cyprus, though legally he still owns them. "The Turks took them over. Closed one and they're still running the other. International piracy, that's all it is."

But he's optimistic. "I'm hoping that maybe when they gain a sense of morality I might get some compensation, but it has proved to be an enormous financial loss so far. Still no tears. There's a tremendous challenge ahead with this job, particularly now that figures are down. We're going to have work much harder to attract tourists. What we must do is give good value and a genuine smile. And we must try to get the tourist out of London and into the rest of England. That's something we haven't done well enough so far."

Contributors:

Arthur Sandles
David Churchill
Alan Friedman
Robyn Wilson

Economic Diary

TODAY: Nigerian Presidential elections.

TOMORROW: British private sector steel prices rise by 5-6 per cent.

MONDAY: Engineering workers one-day strike. World Bank publishes world development report. Triumph Motor Cycle Co-operative creditors meet at Meriden. Banking, Insurance and Finance Union members begin industrial action over pay at F.C. Finance. President Carter sees food and meat processing industry representatives about price increases. Index of industrial production (June—provisional). Retail sales (July—provisional).

TUESDAY: Queen opens Western Isles Council headquarters. National Freight Corporation statement on energy saving campaign. Mr. James Callaghan speaks on split in Labour Party to executive councils of Iron and Steel Trades Confederation and National Union of Blastfurnacemen.

WEDNESDAY: Basic rates of wages and normal weekly hours (July). Monthly index of average earnings (June). Cyclical indicators for the UK economy (July).

THURSDAY: Consumers' expenditure (second quarter—second preliminary estimate). UK banks' assets and liabilities and the money stock (mid-July). London dollar and sterling certificates of deposit (mid-July).

FRIDAY: NALGO's national health and national advisory committees meet to discuss industrial action in hospitals over pay and conditions. Retail prices index (July). Preliminary estimate of gross domestic product based on output data (second quarter).

Wholesale Fittings hoists dividend on £0.5m rise

Wholesale Fittings Company is hoisting the total dividend from 5.886p net to 10p for the year to April 27, 1979, with a final payment which is up almost 4p at 7.77p. Stated earnings per 20p share jumped 17p to 47.4p.

After a midway increase of £200,000 to £847,000 taxable profits of the wholesale electrical distributor advanced from £1.76m to £2.24m on sales ahead from £16.7m to £19.5m.

And the Board is confident the group can look forward to another successful year. First quarter turnover for the period increased in both monetary and volume terms over the same period last year.

The directors add that the company is pursuing an expansion policy and plans are in hand to open more depots in the near future. At midway the group reported that a new depot had been opened in Harlow, Essex, bringing the total to 16 outlets.

Tax for the year is £583,000 against £700,000. SSAP 15 has been adopted, and the comparison amended.

● comment

Wholesale Fittings has continued its impressive growth record with a profits rise of more than a quarter and a 70 per cent dividend increase. Its recent share performance is equally impressive, clearly showing that the market has begun to accept the case for a significant upward revaluation. Since the beginning of the year, the price has jumped by almost two thirds to 363p, having held steady during the market's decline over the past three months. The shares are currently selling on a p/e of 7.5, or 11.5 fully taxed, while the yield is 4 per cent—a rating which suggests the market is going for further growth. The company's main strength is its high stock position from which it can supply most customers' needs. The latest results reflect a volume gain of slightly less than a tenth, which suggests that the company is continuing to increase its market share. A major portion of the growth is attributable to firm demand for specialist electrical equipment, although an increased product range is *probably equally important.* The only factor to cloud the immediate prospects is if industrial demand is dampened by a spate of labour disputes this winter.

First half progress at Gaskell

FOLLOWING THE substantial increase in its 1978 year results, Gaskell and Co. (Bacup) has improved in the first half of 1979.

In the period ended June 30, turnover has risen by just over £1m to £5.86m, and profits before tax are £164,000 to the good at £549,682.

Adjusting for a five-to-two scrip, the interim dividend is lifted from 0.79p to 1p net per 20p share. For the year 1978, total dividend was equal to 2.24p from profits of £1.04m, of which £804,000 came in the second half.

After tax of £288,000 (£200,000) net profit for the 1979 half year rose from £185,783 to £261,682.

Gaskell makes carpet underlays, floorcoverings and other non-woven products.

Adams & Gibbon increase

AFTER interest well up at £256,000 against £113,000 the taxable surplus of **Adams and Gibbon**, motor dealer, engineer, advanced by £114,000 to £349,000 for the half year ended May 31, 1979 after finishing the previous *year unchanged at £558,000.*

Turnover for the six months rose from £10.31m to £12.57m.

The directors say that steps taken to reorganise and improve the performance of certain branches appear to have begun to show through in the profit figures.

The commercial vehicle sales departments, in particular, have benefited from the reorganisation, they state.

They say, however, that if interest rates continue to rise it will make vehicle stocking in the second half costly, and with the unsettled national economic situation they sound a note of caution.

But *they feel the much-*improved profitability has given the company a sound base for the rest of the year.

The interim dividend is unchanged at 1.75p net per 25p share—last year's final payment *was 2.875p.*

Tax for the period is shown as £185,000 (£135,000)

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Adams & Gibbon ...int.	1.75	Sept. 19	1.75	—	4.63
Gaskell (Bacup) ...int.	1	Oct. 1	0.79*	—	2.24*
William Jacks ......int.	0.7	Oct. 5	1	—	2.74‡
Wm. Jackson	6.5	—	5.41	6.5	5.41
London and Liverpool Trust	0.49	Oct. 10	0.46	0.63	0.59
Property Sec. Inv.	1.1	Oct. 1	0.89*	1.6	1.39*
Wholesale Fittings	7.77	Oct. 25	3.86	10	5.89

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 18 months.

Lease-option plan for Mersey dock area

Outline terms for a lease and option agreement covering *Mersey Docks and Harbour Company's* **South Docks** have been negotiated with Merseyside County Council.

The company has been advised to go ahead with such an agreement. The Loan Stock Advisory Board has been kept informed and it accepts the terms will be in the interests of stockholders.

The full council has also given the agreement its blessing.

Terms of the 150-year lease include an option for the council to buy the freehold from 1995 onwards, subject to the company's right to sell the freehold interest at any time—having first offered it to the council. On such a sale the council's option would cease.

The company feels that with *the increased impetus towards* getting physical development started in the area, the underlying value of the freehold will be substantially enhanced to the ultimate benefit of stockholders.

Negotiations are continuing with two parties who have plans for large developments on parts of the area.

● comment

The leasing arrangement worked out between **Mersey Docks and Harbour** and the Merseyside County Council does *not hold a great deal of promise* for the beleaguered holders of the company's combined unit shares. Ever since 1971, when the group collapsed and reconstructed its capital via the issue of combined loan stock and ordinary share units, shareholders have been told to take a long-term view. This has been sound, although not very comforting advice; only 8p out of £1 unit value has been repaid over the years. Meanwhile, *the group's old general cargo* docks have been running at a loss which has overshadowed profits from the newer container terminal side of operations. There had been some hope of selling off some of the company's land in order to give loan stock holders some capital repayment. But the current deal for the group's 300-acre dockland site is designed to enhance the *land value over several years of* development by the Council and will not aid shareholders much in the near future. The lease is probably the best answer to a very difficult situation, but this is really small comfort for shareholders who have seen more and more of their capital written off.

William Jacks ahead to £0.2m but warns on vehicle sales

TAXABLE PROFITS of **William Jacks and Co.**, the overseas trader, motor car distributor and retailer, advanced in the first half to June 30, 1979.

The surplus rose from £138,952 to £223,473 on turnover ahead from £6.2m to £7.1m. The surplus this time was struck after exchange losses of £49,639 resulting from the devaluation of the Zambian Kwacha in sterling terms.

After tax of *£70,817 (£88,945)* stated earnings per 25p share are well up from 0.91p to 2.81p. The interim dividend is 0.7p net.

The group paid a total of 2.74p for the 18 months to December 31, 1978, in which it turned in taxable profits of *£646,126* on £16.7m turnover. The interim payment for that period was 1p net.

The cost of dividends for the half year is £744,000 (£743,000).

The Board says that the motor division again improved turnover and profits, but warns of a possible downturn in sales and opportunities during the next six months to a year. However, there is as yet no sign of undue customer resistance.

On the finance side the group has obtained further gearing for this venture and the customer portfolio is expanding, mainly in the leisure field. The rise in MLR has meant that the operation will trade less profitably until the rate is eased.

The Zambian offshoot traded well. It has still not received due dividend remittances although some are anticipated before the year-end.

BP Canada well up at six months

MAINLY ATTRIBUTABLE to improved margins on sales of refined products net income of **BP Canada** rose from a depressed C$18.4m to $26.5m for the first half of 1979 equal to $1.25 per common share against 87 cents.

Higher prices for crude oil and natural gas and increased crude oil sales also contributed to the improvement in earnings.

Sales and services for the period amounted to $470.6m compared with $403.9m and the income figure was struck after tax of $19.7m ($15.1m).

Western Board starts strongly

The first two months of the current year have again showed an appreciable increase in turnover and profit at **Western Board Mills**. However, in the light of economic uncertainties, Mr. H. H. Vogel, chairman, says in his annual statement that it is too early to make a *forecast* of the full year outcome.

As reported on July 19, pre-tax profits for the year to March 31, 1979 increased from £0.93m to £1.2m. The total dividend is lifted from 3.7p to 4.4p with a final payment of 3p net.

A statement of source and application of funds shows an increase in liquid funds of *£433,000 (£565,000 decrease).*

The ultimate holding company is Legov (Jersey) and the principal activities of WBM are the manufacture of mill and fibre boards from waste paper and the fabrication of board components. Meeting, Cardiff, on September 25 at noon.

Bestobell Australia expands

Bestobell Australia, which is 78 per cent owned by Bestobell Ltd, announces a *54 per cent* increase in pre-tax profit from $A783,000 to $A1,222,000 for the six months to June 30, 1979.

Net profits are up by 34 per cent from $519,000 to $693,000. Sales advanced by 34 per cent from $15,627,000 to $19,444,000.

Property Security shows accelerating trend

A turnround from a taxable loss of £77,000 to £360,000 profit was staged by **Property Security Investment Trust** in the year to March 31, 1979. At the available level the surplus is ahead from £268,000 to £347,000.

At midway the company had recovered from a £100,000 pre-tax loss to a £15,000 surplus.

The final dividend of 1.1p net per 50p share lifts the total from an adjusted 1.3933p to 1.6p.

The rent receivable for the *year was up from £3.18m to* £3.73m and net property income from £2.77m to £3.28m. In addition the dealing profit rose from £113,000 to £453,000.

	1979 £000	1978 £000
Rents rec.	3,735	3,177
Sales by dealing subsidiaries	1,263	1,200
Net prop. income	3,282	2,771
Invest. income ...	9	28
Dealing profit	453	113
Interest	3,187	2,877
Admin expenses...	202	112
Taxable surplus ...	360	177
Tax	188	134
Minorities loss ...	151	109
Making	323	†162
Extraord. credits...	24	370
Available	347	268
Brought forward...	1,096	1,222
Dividends	414	318
Forward	1,009	1,096

† Loss.

WINDING-UP RESCINDATIONS

Orders for the compulsory winding-up of **Mersum** made on July 23, **Casas Senorianes** (July 30) and **Llamaes Freight** (July 30) have been rescinded by Mr. Justice Neill in the High Court.

The petitions against Mersum and Llamaes Freight were dismissed by consent, and that against Casas Senorianes was adjourned to October 8.

Advance for Goode Durrant

FURTHER PROGRESS was made by **Goode Durrant and Murray** Group in the half year to April 30, 1979. Taxable profits advanced from £286,000 to £523,000 on sales down from £29.9m to £18.37m, and the board is looking for higher profits in the second half.

At the end of last year the banking, finance and property development group staged a turnround from a £4.64m loss to a £900,000 pre-tax surplus. The directors then said the recovery followed the re-shaping of the UK businesses and a major turnround in the fortunes of Rawlings Group.

They then added that they expected to do better in the current year.

After tax of £195,000, against £133,000 stated earnings per 5p share are up from 0.6p to 1.3p.

For 1978 the group paid a net dividend of 0.25p which was double that of the previous year. In 1976 the payment was 0.7875p.

'Constructive' meeting at Belhaven

The row at **Belhaven Brewery** Group appeared to calm down *somewhat at yesterday's board* meeting. The directors issued a statement afterwards saying that the meeting had been "constructive."

The argument is between Mr. Roy Ling, who was chairman of *the company for only two weeks,* and other members of the board. They removed Mr. Ling from his position as chairman and managing director after a disagreement on changing the terms by which Ashpoint, a plastics company part owned by Mr. Ling, was purchased by Belhaven.

The board yesterday confirmed unanimously that suggestions of a return to the chair of the company by Mr. Gordon Currie were entirely without foundation. The current chairman, Mr. Peter Rowland, has held the post for a week.

Hampton Tst. plans to write-off deficit

Hampton Trust is planning to cancel part of its share premium account to *write-off the deficit of £974,776* on its profit and loss account.

The share premium account stood at £1,305,717 on March 31 this year, and the write-off would leave a balance of £330,941.

The board points out that the *Companies Bill before Parliament* will stop the payment of dividends while there is an adverse balance on the profit and loss account.

The proposal has been put to shareholders with the annual report in which Sir Cecil Burney, chairman, says the company is in a favourable position to expand both by internal growth and acquisition.

He adds that the policy will be to emphasise capital growth.

Results due next week

Although dividend restrictions have now been removed, conditions are not favourable for a massive leap in payments by the three major U.S.-orientated composites reporting next week — Commercial Union, Royal, and General Accident.

Although a much better underwriting result is expected from all three for the second quarter, it is not likely to make much of a dent in the heavy losses experienced in the first quarter arising from the severe winter weather on both sides of the Atlantic. First half underwriting losses of £18m are anticipated for CU, £14m for Royal and £15m for GA.

Investment income will remain buoyant, boosted by continuing high rates of interest, and pre-tax profits of £60m (£64m) should come from the CU, £54m (£72m) from Royal and £35 (£38m) from GA. But the need to maintain the solvency margins from retained earnings, with inflation rising rapidly in both the U.S. and UK, inhibits the size of dividend increases. GA has more scope and could lift its interim by significantly more than 10 per cent, but size of increase expected from the other two.

Analysts are predicting that the second quarter results from Unilever, due next Wednesday, will be just slightly better than last year, pre-tax profits improving to about £200m, compared with £186m for the same period in 1978. There has been a growth in volume during the first half of this year, but the pre-tax earnings are likely to have been damaged by the strength of sterling. About one quarter of Unilever's profits are in sterling, with another quarter in Deutsche Marks and about 20 per cent in dollars or dollar-related currencies. Thus, the first half pre-tax total should be approximately £335m, with exchange rate fluctuations taken into consideration. Full year estimates for the group hover somewhere over £600m. This is because Unilever generally does better in its first half, and analysts are concerned about a downturn *in the world economy* toward the end of 1979.

Analysts are forecasting a large increase over last year in the net income figures for the Royal Dutch/Shell Group's second quarter, when the results are announced next Thursday. The rise, from £394m in the second quarter of 1978 to roughly £620m for the same period this year, is attributed to several factors. Most important, says analysts, is the increase in stock appreciation stemming from petroleum price increases. Margins have improved significantly too, particularly outside the U.S. Net income for the full year could be around £2.1bn, or double the 1978 figure.

Analysts expect interim profits from **Tube Investments**, due on Wednesday, to show a decline of around 10 per cent to £33m. All divisions should be down slightly. Weak demand is likely to have affected the steel division *where the strength of sterling* will also have been an adverse factor. Cycles and toys have been hit by delays in exports although domestic appliances should have been seeing some improvement in line with higher UK demand. The second half, say analysts, looks like being fairly static with full year profits slightly down at £75m (£80m).

Two of the major aluminium producers and fabricators—**Alcan Aluminium (UK)** and **British Aluminium**—are reporting first half profits next week against a background of improving demand. Thanks to the self-regulatory disciplines imposed by the main manufacturers over the past few years, aluminium stockpiles have become depleted and output—which rose in 1978—*compares very favourably* with most other base metals. However, this will take some time to filter through to company profits. In the case of Alcan Aluminium, which is in the middle of a major expansion programme, analysts expect a slow recovery. They are forecasting a range of between £4m and £7m with most of them settling for not dissimilar profits to last year's £5.1m pre-tax for the first half. For British Aluminium, a subsidiary of Tube Investments, they expect roughly £10.5m, against the previous comparable period's £12.63m, mainly because of the effects of the lorry drivers' strike and two-month stoppage at the Burntisland plant. The company has already forecast a shortfall for the first six *months.*

Other results to note are interims from Philips' Lamps, F. W. Woolworth, Carrington Viyella, Coral Leisure and Transport Development Group with a preliminary from Letraset International.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
AGB Research	Monday	0.825	1.725§	1.4
Caledonian Trust Co.	Monday	0.6	1.25	0.7
Dale Electric International	Wednesday	1.228	2.4408†	1.4
Ewart New Northern	Friday	—	1.0	—
Garford-Lilley Industries	Wednesday	0.175	0.625	0.175
Gelfer (A. & J.)	Thursday	1.2	1.654	1.4
Gresham Investment Trust	Tuesday	0.71339	1.20359	0.79681
Group Investors	Tuesday	0.72	1.18	0.8
Letraset International	Tuesday	0.897	4.4979§	0.987‡
McKay Securities	Tuesday	0.26059	0.25465	0.35
Newmark (Louis)	Thursday	2.5	4.2214	3.0
Pifco Holdings	Friday	0.85	2.15	0.95
Press Tools	Monday	0.66	1.0605	0.725
Reliance Knitwear Group	Wednesday	1.4	1.81	1.54
Scottish English & European Textiles	Thursday	0.66	1.1718	0.737
Scottish Investment Trust Co.	Thursday	1.1	1.9	1.25
Sunley (Bernard) Investment Trust	Monday	1.65375	2.69625	1.65375
Vibroplant Holdings	Monday	3.08	6.6665	4.422
Webb (Joseph)	Wednesday	0.10942	0.33892	0.1315
INTERIM DIVIDENDS				
Alcan Aluminium (UK)	Friday	3.3	6.0	
Benford Concrete Machinery	Monday	0.97	1.328	
Britannic Assurance Co.	Wednesday	4.355	5.7505	
British Aluminium Co.	Wednesday	5.0	7.5	
Broadstone Investment Trust	Monday	1.55	4.15	
Carrington Viyella	Wednesday	0.66883	1.68117	
Commercial Union Assurance Co.	Tuesday	2.863	5.673	
Coral Leisure Group	Friday	3.0	3.7	
Dares Estates	Thursday	0.25	0.5	
Davies & Metcalfe	Tuesday	0.2456	0.4504	
Dreamland Electrical Appliances	Wednesday	0.45	0.9687	
Evode Holdings	Wednesday	0.3629	0.7964	
First Scottish American Trust Co.	Thursday	1.0	2.15	
Gen. Accident Fire & Life Assur. Corpn.	Wednesday	4.125	4.917	
Hallam Sleigh & Cheston	Friday	0.67	0.67	
International Investment Trust	Thursday	1.31	1.63	
Lovell (G. F.) & Co.	Thursday	2.0	—	
Manchester Ship Canal Co.	Monday	6.5	10.88	
Morris & Blakey Wall Papers	Tuesday	0.4275	0.7075	
Olives Paper Mill Co.	Monday	[illegible]	0.74475	
Rea Brothers	Monday	0.725	0.9278	
Royal Dutch Petroleum Co.	Thursday	5.01	5.75¶	
Royal Insurance Co	Thursday	7.272	11.5	
"Shell" Transport & Trading Co.	Thursday	5.275	30.677**	
Smith & Nephew Assocd. Cos.	Tuesday	0.9105	1.7602	
Squirrel Horn	Monday	0.625	0.28542	
Stanley (A. G.) Holdings	Tuesday	0.66667	0.96667	
Transport Development Group	Thursday	1.25	2.35142	
Tube Investments	Wednesday	10.975	12.421	
Turner (W. & E.)	Wednesday	0.4	1.0	
Unilever	Wednesday	8.57	14.0	
Unilever N.V.	Wednesday	3.41	5.41	
Wardle (Bernard) & Co.	Thursday	0.55	0.26317	
Woodhouse & Rixson (Holdings)	Thursday	1.15903	1.15903	
Woolworth (F. W.) & Co	Wednesday	1.225	3.245	
INTERIM FIGURES				
Scottish Western Investment Trust	Monday			
Wigan Investment	Thursday¶			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Including second interim. ‡ Second interim of 5.50315p not announced on July 26 1979. § Second interim. ¶ First quarter figures. ‖ Florins. ** Including special dividend of 27.184p, net, for previous payments deferred due to dividend restraint.

BIDS AND DEALS

Trading recovery gives Pye £9.6m at halfway

Pye Holdings, now about to be taken fully under the wing of the controlling **Philips group** in Holland, continued its trading recovery in the first half.

Profits before tax jumped from £5.1m to £9.6m, putting the company in line to at least match last year's overall £15m. During the second half, trading conditions are expected to show little *change from those of the initial* six months.

The profits rise was achieved on turnover of £115m compared with £99m for the comparable period. No interim dividend is being paid because of Philips' bid for the 39.3 per cent minority holding.

The Dutch group's 180p cash per share offer represents a near 57 per cent premium on the middle price of 115p on July 13, the last dealing day before the *bid was announced.* It values the whole of Pye at £88.4m.

The Pye earnings figures are contained in the formal document for the offer for the rest of its shares by Philips. The offer price takes account of Pye's *net asset value of 141p a share* at December 31 and last year's net earnings of 13.4p a share.

In recommending the offer, the Pye Board states that full control is the best solution to possible conflicts of interest which could arise between the UK company's subsidiaries and the Dutch concern.

Philips acquired control of *the Cambridge-based company* in 1967 after a bid contest with Thorn, but then offered shareholders an option to buy shares in a new holding company at 70p each.

The scheme of arrangement under which Philips will acquire full control is expected to become effective on October 1. Philips has confirmed that redundancies will be small—these are expected to be mainly in the administrative area—and that its proposals will enhance *Pye's prospects and employment* opportunities.

WILLIAMSON TEA

Williamson Tea Holdings, which is reorganising its Indian business in line with the Foreign Exchange Regulation Act (FERA) suffered a fall in trading profits from £7.62m to £4.53m in 1978.

Indian profits fell from £5.34m to £3.11m, while those earned in Africa were down from £2.2m to £1.42m.

The company is changing its accounting year to June 30, and the next accounts will cover the 18 months to June 30 this year.

Williamson said the necessary consents from the Indian and UK authorities for its scheme of arrangement had now been received. The businesses of the 12 Sterling Companies carrying out the group's operations in India have been vested in George Williamson (Asam), incorporated in India.

The scheme of arrangement, effective retrospectively from December 31, 1977, provides for 70 per cent of the ownership to be with Williamson Tea and Borelli Tea Holdings, its 75 per cent-owned subsidiary; the rest is to be allotted to Indian residents for cash.

OFFERS FOR LDN. INTERCONTINENTAL

London Intercontinental Trust is pursuing offers for the company at a figure substantially above net asset value, and members are recommended not to dispose of their shares at a derisory price.

GOUGH BROS.

The offer by **Scottish and Newcastle Breweries** to acquire the outstanding capital of Gough Brothers has been accepted in relation to 2,493,314 shares representing 95.1 per cent of the outstanding shares.

The acceptances, plus S and N's existing holding, represents 96.1 per cent of the capital.

Redman will not announce acceptances until Monday

BY RAY MAUGHAN

The outcome of **Redman** *Heenan International's £8m cash* offer for **Wellman Engineering Corporation** is expected to be extremely close. The bidder will not announce the level of acceptances until Wellman's possibly decisive extraordinary *meeting on Monday.*

At that meeting, Wellman shareholders will be asked to vote on the proposed £5.17m acquisition of the Industrial Heating Business Department of General Electric in Indiana. Redman *is implacably opposed* to the U.S. deal and intends to vote against the proposals at Monday's meeting. The bidder controls 30.6 per cent of Wellman's equity and raised its terms from an effective level of 63.6p to 71.4p per share on Thursday.

Redman's offer will not be referred to the Monopolies Commission, it was announced yesterday, but the bid may run into what has been described as a legal "anomaly" concerning the registration of shares.

The £8m offer will lapse if Wellman shareholders approve the IHBD deal but, to take a theoretical example, Redman will not be able to block the IHBD deal even if it has won majority acceptances from Wellman shareholders, unless the majority appears on the defenders share register.

Hambros Bank is understood to have sought and received a confidential ruling from the Takeover Panel to decide this apparent paradox in the City Code. The Panel, however, declined to comment yesterday.

Redman may extend its offer by at least another two weeks but only if the IHBD acquisition is abandoned.

SHARE STAKES

Wearwell—A. Nadir, director, has purchased 25,000 Ordinary.

Initial Services—British Electric Traction has acquired further 568,750 shares making holding, with subsidiaries, 21,771,288 (41.24 per cent).

Barrow Hepburn Group—J. A. Leek, alternate director, is beneficially interested in 65,000 shares.

Audiotronic Holdings—V. L. Harris, director, has disposed of 75,000 shares as a trustee.

Hargreaves Group—M and G Investment Management holds some 2.82m shares (8.02 per cent).

Stylo Shoes—London Trust, together with a subsidiary, Abingdon Investment, now own a total of 550,000 shares (5.27 per cent).

McKechnie Brothers—Prudential Corporation has acquired further shares making total interest 3,037,128 (7.04 per cent).

Jessups (Holdings)—P. Jessup, director, has disposed of 16,000 ordinary, reducing to 400,000 (9.59 per cent).

JOHN JAMES

In connection with the offers by **Wolseley Hughes** for **John James Group**, on the final count of the acceptances of the cash offer, the total number of shares for which acceptances have been received has been revised downwards from 22,764,572 (80.8 per cent) to 22,501,782 (79.8 per cent).

MINING NEWS

Westfield's uranium search

BY STEPHEN THOMPSON

Canada's **Westfield Minerals**, a member of the Northgate group of companies, reports that it has found many more moderately to highly radioactive boulders in trenching in the Upper Humber River area of Newfoundland, reports **John Soganich** from **Toronto**. This is a follow-up to work carried out last summer.

About 200 metres of trenches have been dug over an area of 100 metres by 75 metres in the uranium search. Two diamond drills are working on a widely spaced grid.

This is being done to acquire stratigraphic information across the basin to assist in later drill-target selection. Drilling has not yet started to test the mineralisation in the region of the new trenches.

Shares of Westfield, along with those of the various Northgate group companies, have moved ahead strongly this week; yesterday Westfield closed 5 easier at 210p a rise on the week of 30p.

C.R.A. PURCHASE

Australia's **Conzinc Riotinto** has completed the *purchase* of the 28.32 per cent interest in **Hamersley Holdings** formerly held by **Kaiser Steel Corporation** for U.S.$207.5m (£92.8m) Conzinc Riotinto now holds 82.3 per cent of Hamersley while Japanese corporations control 6.2 per cent and public shareholdings amount to 11.5 per cent.

CSR COAL DEAL

Australia's Western Collieries *says that talks are taking place* with CSR regarding the possible acquisition by CSR of the 50.1 per cent of Western Collieries shares not already owned.

CSR already owns the New South Wales Buchanan Borehole Collieries and is the major shareholder in the proposed Hail Creek coking coal project.

Western Collieries directors are recommending that shareholders should not dispose of their holdings until a further announcement is made.

The company's total production of coal in the year to the end of June 1978 was 1.37m tonnes.

Net profits of Western Collieries in the year to the end of 1978 were A$1.23m (£0.63m). In the half-year to the end of December 1978 the company earned $1.03m.

BENGUET CONS. EARNS LESS

Second quarter net earnings of **Benguet Consolidated**, the Philippines gold mining and engineering group fell by 32 per cent to US$1.8m (£0.8m) or 7 *cents a share* in the three months to the end of June. This brings net profits for the half-year to US$4.3m or 16 cents a share—33 per cent lower than the first half of 1978.

The company says that the lower profits stem from problems encountered by the engineering subsidiary in deploying workers needed for Middle East construction projects.

Benguet's president, Mr. Jaime V. Ongpin says that although the outlook for the rest of 1979 remains generally favourable *it* now appears certain that earnings for this year will fall short of the record performance established in 1978.

Growth continues in S&U Stores consumer credit operation

CONTINUED growth in profit in the current year for S and U Stores from its consumer credit operation, now the major part of the group's business is reported by Mr. Derek Coombs, chairman, in his annual statement.

And he reassures shareholders that, following the passing again of a dividend on the preferred ordinary and ordinary shares, the question of restoring some dividend is to be considered next year. But, he adds that priority will always be given to reducing borrowings and providing for funds for expansion.

Mr. Coombs confirms that the group has overcome all its major problems.

As reported on July 13 the group decided to write off £3.16m for possible losses on credit sale and hire purchase debtors. Trading profit for the January 31, 1979, year of £884,000 (£532,000) was turned into a 3.01m loss after the provision, and other items.

There has been a major reduction in net assets from £6.21m to £3.39m, because of the £3.15m provision, the exclusion of goodwill items totalling £1.5m built up from past acquisitions, and the £700,000 terminal loss on the closure of Swallow Raincoats. The chairman reassures shareholders that there will be no further provisions of any consequence, "and the strength of our balance sheet should now improve."

Barget still running at a loss

Losses continued at **Barget**, the furniture manufacturer, in the first half to March 31, 1979. The deficit was £178,491, against £139,226 profit which had been struck after an exceptional credit of £245,715.

At the year-end the group suffered losses of £245,000 (£159,000) and the directors then warned that the company would not make a profit this year. They now say further losses are expected in the second half of this year.

Half-year sales were down from £2.96m to £2.58m. There is again no dividend—the last payment was 0.9p net per 25p share for 1976.

The Board adds that to some extent the results reflect re-organisation costs. Sales of manufactured goods have yet to reach the level at which the company can trade profitably.

LONDON TRUST CONVERSIONS

Holders of £155,906 per cent convertible unsecured loan stock 1985-87 in **London Trust** have exercised their rights to convert *their holdings* into 182,410 deferred shares at July 31.

Following this, there remains outstanding £194,079 loan stock.

CHAMBERLAIN PHIPPS

First-quarter trading is well up to expectations and first-half results are expected to be satisfactory, Mr. W. E. F. Chamberlain, chairman of Chamberlain Phipps, told the annual meeting.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Redman Heenan International increased its cash bid to 70p per share for Wellman Engineering Corporation which the latter quickly rejected. Redman controls about 31 per cent of Wellman. The Wellman defence stressed that the increased offer was an attempt to frustrate the proposed £5.17m acquisition of the U.S. General Electrics Industrial Business Heating Department and the bidders again asserted that the offer will lapse if the IHBD deal goes ahead.

Britannia Arrow, the shell of Slater Walker Securities, bid 88p per share cash for Siemssen Hunter, the tobacco and specialist publishing group. Holders of 44.7 per cent of Siemssen have already accepted. The deal includes a put and call option agreement in respect of J. Frankan and Co., a Siemssen subsidiary, with a consortium of N. Freeman, chief executive of Siemssen, the Hambro Group and certain institutional clients, for a total exercise price of £1.85m cash.

Mr. Peter Wright, chairman of Evode Holdings, the adhesives manufacturer, resigned following an announcement by the controlling family interests that they are unwilling to dispose of their holdings in response to any offer in present circumstances. Mr. Wright considered the company should have been taken over and, in light of the family's declaration, talks with more than ten potential bidders have been terminated.

British Tar Products paid around £2m for the chemicals division of British Tanners Products which is in the hands of a Receiver.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Alginate Inds.	415*	405	415††	22.6	Merck	28/8
Allen (Edgar)¶¶	69½*§	61	63	9.63	Aurora Hldgs.	—
Berwick Timpo	75*§	79	68	1.25	Chrtrhse. Japhet & Associates	—
Bestobell	235½	220	206	31.0	BTR	17/8
John Bright¶¶	40½*	39	43	4.29	Largs	—
Caplan Profile	130	123	143	8.77	Pentos	—
Cartiers	150*	143	134	19.4	Tesco	24/8
Ellis & McHardy	185*	180	67	2.22	Mackan (UK)	—
Finlas	182*§	175	175	1.33	Chailey Secs.	—
Hawthorn Baker	185*	175	135	1.21	Dunlop	—
Lebus (Harris)	40	37	35	0.86	PMA	—
Industries	135*§	138	120	23.6	Hanson Trust	—
Pye Holdings	180*§	170	116	24.5	Philips	—

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Sanderson Kayser	81¼§§	76	50††	4.86	GEI	—
Siemssen Hunter	88*	84	78††	5.00	Britnna. Arrow	—
Silhouette	96½	92	55††	1.93	Pawson	—
Silhouette 'A'	91½	87	45††	1.08	Pawson	—
Wellman Eng.	70*§	66	55	5.47	Rdmn. Heenan	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 10/8/79. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Acrow	Mar.	13,780	(13,141)	21.9	(20.9)	3.0	(2.3)
Ang.-Am. Asphalt	Mar.	77L	(255)	—	(3.8)	2.13	(2.68)
Assoc. Tooling	Feb.	153	(109)	3.8	(2.7)	3.03	(2.56)
Benn Bros.	June	1,125	(714)	8.2	(6.4)	3.0	(2.37)
Bristol Post	Mar.	1,680	(1,770)	18.8	(17.0)	7.75	(6.42)
Centreway Secs.	Mar.	1,559	(1,028)	96.5	(56.5)	20.0	(12.17)
Cooper Inds.	Apr.	2,050	(1,820)	25.8	(22.5)	1.25	(0.88)
Cnty. & Dis. Props.	Mar.	635‡	(526)‡	6.4	(5.3)	1.76	(0.89)
Cowan de Groot	Apr.	2,200	(1,920)	16.2	(14.4)	3.0	(2.31)
Diamond Stylus	Mar.	252	(204)	4.6	(3.2)	0.88	(0.62)
Dixon (D.) Hldgs.	Mar.	863	(490)	25.3	(12.8)	8.5	(3.71)
Dixon (D.) Leeds	Mar.	222	(208)	11.2	(17.0)	9.6	(4.97)
Elms & Everard	Apr.	1,051	(969)	13.9	(5.2)	5.75	(5.0)
EPIC	Apr.	1,390	(1,140)	4.8	(3.6)	4.25	(2.36)
Firth (G. M.)	Mar.	164	(30)	10.0	(0.5)	3.0	(2.5)
FMC	Apr.	2,513	(929)	17.0	(12.5)	6.0	(4.0)
Hallite Hldgs.	Apr.	528	(1,070)	13.7	(33.7)	6.75	(6.52)
Hwrd. Shuttering	Apr.	410	(325)	4.0	(3.6)	1.54	(0.99)
Longton Trnsprt.	Mar.	1,654	(1,121)	22.3	(15.9)	5.0	(3.84)
Owen & Robinson	May	49	(59)	62.1	(40.2)	16.0	(16.0)
Rohan	Apr.	1,360	(552)	16.7	(8.2)	5.0	(3.75)
Smith Bros.	May	283	(1,149)	1.2	(6.6)	1.8	(4.97)
Smith (David S.)	Apr.	889	(1,306)	7.8	(11.5)	4.75	(2.66)
Unitech	June	3,560	(3,111)	15.3	(11.1)	5.0	(4.03)
UDT	June	20,100	(17,000)	12.4	(6.4)	—	(—)
Wagon Indl.	Mar.	4,220	(3,710)	44.1	(39.6)	8.72	(7.88)
Ward & Goldstone	Mar.	3,000	(3,340)	19.7	(15.7)	4.99	(4.54)
Yorkgreen Inv.	Apr.	93	(22)	2.9	(0.3)	0.44	(0.34)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Aaronson Bros.	Mar.	2,000	(1,680)	1.2	(1.0)
Aquis Secs.	June	154	(89)	0.22	(0.22)
Ault & Wiborg	June	1,300	(1,310)	0.75	(0.72)
Automotive Prods.	June	7,852	(7,414)	1.5	(0.75)
Bibby (J.)	June	4,023	(3,719)	6.0	(3.0)
Bristol Stadium	June	11	(18)	—	(—)
Carron Co.	June	860	(430)	1.7	(1.54)
Comben Group	June	2,300	(1,470)†	1.2	(0.5)
Denny (Henry)	Mar.	289	(199)	—	(—)
Glynwed	June	8,640	(8,460)	2.45	(2.45)
Hawley Leisure	June	173	(5)	0.3	(0.05)
Horizon Travel	May	496	(345)	1.87	(1.63)
Ratcliffs (G. Bdg.)	June	836	(817)	1.0	(0.75)
Relyon PBWS	June	921	(718)	2.25	(1.75)
Securicor Group	Mar.	2,850	(2,280)	0.9	(0.8)
Security Services	Mar.	2,290	(2,010)	1.37	(1.25)
Wolf Tools	June	1,050	(1,390)	0.85	(0.62)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † Nine months.
‡ Profit attributable. L Loss.

Offers for sale, placings and introductions

Barker and Dobson: Capital reconstruction; five ordinary 10p shares become two ordinary 20p shares.

Scrip Issues

County and District Properties: One for two.
Rohan: One for four.
Securicor: One "A" ordinary for one ordinary or one "A" ordinary.

Rights Issues

Unitech: One for four at 145p raising £4.73m†
Yorkgreen Inv.: One for one at 10p raising £0.32m†
† Approximate figure before expenses.

British Steel price rises next month

BY JOHN LLOYD

THE BRITISH Steel Corporation will raise prices on a number of major products from September 2. Those affected represent around 35 per cent of the corporation's UK production, though prices of other categories are under review.

Three major groups will see price rises — tinplate, by between 9 and 10 per cent; plate, by an average of 5 per cent; and billet and billet-derived products—except wire rods, angles and hot-rolled strip—by an average of 5 per cent.

The increases in the two latter groups follow rises of around 5 per cent by private sector mills, to take effect next week.

The price of tinplate was last raised 10 months ago, when a 10-month price-freeze undertaking was given; plate prices last rose in July 1978, billet prices in April.

Due to the rises, the price differential between a number of UK and Continental steel products is now widened further. Earlier this week, the British Steel Consumers Council said a number of large users intended to switch ordering from UK mills to Continental producers.

However, increases in the EEC guidance prices, expected next month, will narrow the gap.

BSC believes that the rises are modest, and that there will be little import penetration as a result.

Borough may provide business risk cash

FINANCIAL TIMES REPORTER

LAMBETH council in London is investigating a suggestion made by the local trades council that an enterprise agency should be set up to provide risk capital for businesses in the borough.

Before making a decision, the Labour-controlled council will study a similar scheme which is operating in South Yorkshire. It obtains funds from the local superannuation fund by having 10 per cent of its shares as unsecured capital.

Alternatively, Lambeth could raise capital under Section 137 of the 1972 Local Government Act.

Lambeth's plans come only one week after the Association of Independent Businesses sent a report to the Greater London Council firmly rejecting local government initiatives to provide finance, believing that this would be an ill-advised use of public funds.

Lambeth is already likely to give £100,000 to the Sunlight Service Laundry group to prevent closure of one of its laundries in Brixton.

The council hopes that the money, which would be provided under the Inner Urban Areas Act, could be used to save 300 jobs at the laundry by carrying out much-needed modernisation.

Mr. John Ivey, chairman of Sunlight Services, said that if the company was going to have a long term presence in Brixton the type of work carried out would have to change. It would shift from serving a declining domestic market into commerce and industry.

Mr. Ivey said the original proposal to close the Brixton laundry was a company policy decision and the organisation had gradually been closing down its plants in London because of the declining domestic market.

However, the council's move to retain the laundry, which is dependent on a satisfactory financial report, has been criticised by some councillors who feel that the money could have been more profitably used.

Mr. Charles Williams, a Conservative councillor who voted against the grant, doubts that the 300 jobs to be saved will ultimately benefit the community since the work force consists mainly of unskilled, and part-time staff.

Milk bottle breakages costing £23m a year

FINANCIAL TIMES REPORTER

THE AVERAGE milk bottle makes 23 trips between dairy and customer before it is lost or broken, yet breakages still cost the industry more than £23m each year, and more than ½m bottles are lost every day.

The yearbook of the National Dairymen's Association, says more than 93 per cent of households in England and Wales have milk delivered and deliveries help to ensure maximum unit sales, keeping processing and distribution costs down.

One increasing problem is the risk roundsmen face in collecting large sums of money. A roundsman can collect up to £50,000 a year and incidences of them being attacked, depots being raided, break-ins and burglaries, and the robbing of security vans are becoming more frequent, the yearbook says.

UDS buys Van Allan shop chain for £16.5m

UDS GROUP is to increase its stake in womenswear retailing by buying Tootal's 175-strong Van Allan chain of shops at a total cost of £16.5m.

The purchase, which was confirmed yesterday, effectively doubles the number of outlets in this sector controlled by UDS, which already operates the 172-strong Richard Shops. The company also has extensive department store and mail order operations. It is represented in High Street menswear trading through John Collier and Alexandre, and in shoes through Timpsons.

Van Allan is being acquired for a cash sum of £13,947,000 together with its buying operation, Stretton Manufacturing. In addition, Tootal will be repaid loans to the two companies amounting to £2,553,000.

Net profits of Van Allan and Stretton before taxation and group management charges for the year ended January 31, 1979, was £1,361,000 (including profits on property sales) on a turnover of around £20m.

Tootal said yesterday that the levels of trading and margins during the current year had been disappointing. The effect of the sale on the consolidated balance sheet of Tootal as at January 31 this year will be to reduce fixed assets by £7,679,000 and increase net current assets by around £15.5m. The company said that the sale would help both to improve profitability and to secure a reduction in financial gearing.

UDS has said it intends to retain the identity of Van Allan and has given assurances about the continuation of employment. The agreement is subject to confirmation that it will not be referred to the monopolies and mergers commission.

● NEWS ANALYSIS—WOMENSWEAR OUTLETS BY RHYS DAVID

Tootal weaving back to basics

THE SALE OF the Van Allan shops is the first major decision taken by Mr. Robert Audsley since he stepped up to take over as managing director of Tootal.

Apart from the fact that the shops were a part of the business always regarded as one of his own special interests, the withdrawal, on the surface, is unexpected for several reasons.

Tootal has in the past used retailing partly as an important early-warning indicator for its textile and clothing operations, giving its factories a "feel" for likely trends in the market place.

The development of retail activities has also been seen as part of a move by Tootal away from basic spinning and weaving (with the exception of sewing thread, where it is one of the world's biggest producers) into fields closer to the consumer. Only in January Tootal moved into U.S. retailing with the acquisition of Ups 'n Downs, an eastern coast women's wear chain, at a cost of $19m.

Tootal has evidently found the going increasingly hard in UK retailing over the past two years, however, and has decided that running shops is a specialist job. (Mr. Derek Allen, the director with most retail experience, was posted to the U.S. earlier this year to oversee American activities.)

Van Allan's pre-tax profit last year was £1.3m on a turnover of £20m but this was accounted for largely by property disposals. Trade this year has again been poor. With its high dependence on summer fashions, the chain has been hit again this year by the late spring and modest summer weather.

By contrast, however, Richard Shops, the UDS women's wear subsidiary, with a slightly smaller number of branches (172), generated sales last year of more than £40m and profits of £5.8m.

Efforts have been made to develop Van Allan's appeal to the over-25s to retain customers as they get older and to lessen exposure to competition from the other big names in the younger women's wear market—Dorothy Perkins, C and A, Chelsea Girl, Etam and Richard Shops. These moves have evidently not been entirely successful, however, and may have diluted the chain's image.

Escalation

The decision to quit retailing has also been influenced by a sudden escalation in property rentals at a number of sites up for review. Tootal believes that as a solo operator it has much less negotiation muscle with the property groups that big retailing groups like UDS, which will perhaps have four or five shops in a precinct.

Against this background, Tootal has apparently concluded that the sale cash can be put to better use developing the company's primary activities in the textiles and clothing field, particularly when borrowed money is prohibitively expensive. "We want to release funds for investment in business where we are doing well," Mr. Audsley said yesterday.

The company, which last year made pre-tax profits of £21m on sales of £401m, is expected to spend around £10m-£12m in the current year on new facilities.

The main UK capital project under way is the modernisation of a finishing complex at Newton Bank, Great Manchester, at a cost of £6m over the next four years to increase production of printed fabrics for the African market.

The company is planning to step up spending on its clothing operations, which included Slimma, a major supplier of womenswear to Marks and Spencer, and Trutex the childrenswear group. A strengthening of the group's position in Leisurewear is also being sought, and despite the rise in the value of sterling. Tootal is pushing ahead with plans to develop its position as a strong supplier of fabrics and garments in Europe.

Tootal is looking at ways of improving efficiency elsewhere in its UK manufacturing, particularly its spinning plants where productivity lags behind similar units in the U.S.

In Asia, Tootal has invested heavily in thread-making capacity to match the growth of clothing production in the Far East. The company is negotiating a technical service agreement with the Chinese under which Tootal will supply expertise and receive in return yarn for use in thread-making plants in the Far East. Tootal is also planning to open a new thread plant in Sri Lanka, adding to existing units in Malaysia, Hong Kong, and the Philippines.

The group is expecting to tie up within the next few months the acquisition of a trading company in the Philippines, through this to secure a share of rapidly growing consumer expenditure in South-East Asia on a variety of products including clothing.

The trading group is also likely to be developed as a source of products for other markets in which Tootal is active, including Europe and the U.S.

For UDS this attraction of the deal — tied up within days of Tootal's first intimation that it would sell — is the chance to acquire in one operation 175 new sites in prime locations.

"It has become very difficult to acquire good city centre sites. This acquisition will give us much greater flexibility to expand our business," Sir Stuart Lyons, chairman of UDS, said yesterday.

UDS has given a pledge to retain the identity of Van Allan, and Sir Stuart said they were hoping in the course of next year to be generating much higher sales and profits in the chain.

Home contents insured for £12,000 average

By Eric Short

HOUSEHOLDERS in three-bedroomed semi-detached houses are now insuring their contents for an average value of £12,000. This is the average sum insured on the new Home Insurance deal launched two months ago by the TSB Trust Company, the insurance and unit trust arm of the Trustee Savings Bank.

This home insurance represented the latest move in the development of the TSB's financial services. It broke new ground by having a high level of minimum sum insured and a simplified rating structure. It was designed to represent the average value of various types of houses and/or their contents, and avoided any problems of under-insurance.

The TSB has had considerable success with this scheme, considering that it has not been actively marketed. More than 800 policies have been sold—20 per cent of them to householders with no previous connection with the TSB. One-third of the policies have also included buildings insurance. This indicates the level of house ownership free of mortgages, since during the mortgage period the building society usually arranges the buildings insurance.

John Laing wins £7m hypermarket contract

BY OUR CONSUMER AFFAIRS CORRESPONDENT

THE JOHN LAING Construction company has been awarded the building contract for the J. Sainsbury and British Home Stores SavaCentre hypermarket to be built at Oldbury in the West Midlands.

Costing £7m to build, the hypermarket will be 138,000 sq ft gross in size or around 70,000 sq. ft in selling space. Work will begin shortly and the store should open late next year or early 1981.

This will be the fourth hypermarket jointly operated by Sainsbury and BHS. Planning for a fifth store, near Reading, is well advanced.

Sainsbury's and BHS already operate two hypermarkets under the SavaCentre name — at Washington, Tyne and Wear and Hempstead, Kent. Sales at both are well ahead of expectations.

The third SavaCentre, to open at Basildon, Essex, next year, is likely to face fierce competition from the nearby Tesco and Asda Hypermarkets.

The success of the Sainsbury/BHS hypermarket operation has surprised many in the retail trade. As stockbrokers Capel-Cure Myers say in their latest BHS research study published yesterday, the joint venture initially appeared to face several major hurdles. "Not least was a possible clash between two retailers with distinctive and different styles," say the brokers.

But the firm argues that "in trading terms, the operation does now appear to be firmly established and successful." The brokers believe that consumer response to the stores has so far been favourable and say that when the fifth store comes on stream, BHS's 50 per cent share in the overall selling area will represent a tenth of the total sales area operated by BHS.

Car buyers go for economy

THE PRICE of petrol is leading second-hand car buyers to spurn big-engined models in favour of cars which are cheaper to run.

Figures produced by Computacar — a company which matches buyers and sellers—show that almost 11 per cent of buyers in London and the South-East want a Ford Escort. Nearly 9 per cent were looking for a Mini. Of the foreign cars, it is the economical models like the Renault 5, Citroen Dyane and Citroen 2CV6 which are most in demand.

Wall St. stages broad rally

INVESTMENT DOLLAR PREMIUM

$2.60 to £1—28% (27¾%)
Effective $2.2475 10¼% (9¾%)

THE STOCK Market made another broad based rally in active trading, aided by take-over speculation and strength in Blue Chip and Glamour issues.

The action was similar to that on Tuesday, when large capitalisation stocks favoured by institutions were also in demand. However, volume yesterday was well below Tuesday's pace.

The Dow Jones Industrial Average climbed 8.78 to 867.06, its highest level since April 25, when it closed at 867.46. The Industrial Average rose 20.90 for the week.

The NYSE Index added 0.50 to 60.64. Advances led declines 978 to 469 as volume expanded to 36.74m shares from 34.63m shares on Thursday.

The market was helped early on by a Chrysler rebound when Treasury Secretary Miller said the U.S. might provide loan guarantees for the ailing car manufacturer.

Analysts said traders were encouraged that early carryover selling dried up after the first hour.

Active Chrysler gained $⅜ to $8½. Treasury officials declined to put a dollar value on the amount of loan guarantees the U.S. would provide.

Volume leader **Continental Airlines** added $1⅞ to $14⅝. It has been the subject of new merger speculation since the Civil Aeronautics Board objected to a merger of Continental and *Western Airlines*. *Western Air* rose $⅛ to $10⅛.

Loews was a standout, surging $7⅞ to $66½, a record price level. Loews began tender offers for 6m **CNA Financial** shares *and for 2.5m* of its warrants to buy Loews Common at $40 a share. The warrants were the most active American Stock Exchange issue and jumped $5⅛ to $32⅞.

Chicago Board Options Exchange Volume expanded to 174,255 contracts from 141,743 the previous day.

CANADA—The market closed higher in fairly active trading as the Toronto Composite Index rose 8.5 to 1,575.0. Gains outnumbered losses 246 to 176.

Petrofina Canada rose $1 to $38. The company reported higher earnings and raised its dividend. **Gulf Canada**, which raised its dividend, gained $⅛ to $55⅛.

Gold issues were higher as Dome Mines advanced $1⅞ to $44 and **Dickenson Mines** $⅛ to $8⅜.

Property shares advanced as **Cadillac Fairview** rose $1⅛ to $17⅞ and **McLaughlin Associates** $⅛ to $8.

Volume was 4,078,114 shares, compared with 4,244,667 in the previous session.

TOKYO — Share prices closed mixed in light trading. Volume 240m shares.

Resources-Related issues gained, but Trading companies and Shippings eased. Export-Orientated shares, including **Sony and Fuji Photo Film**, were mixed.

Nippon Oil, Teikoku Oil, Arabian Oil and other Petroleums rose on cheap buying. **Nippon Oil** gained Y30 to Y1,610, and *Teikoku Oil rose* Y23 to Y870.

Toyota Motor was up Y8 to Y870, **Chugai Pharmaceutical** rose Y28 to Y613 and **Honda Motor** was up Y16 to Y564.

GERMANY—Broadly higher in moderate trading.

Stores scored the largest gains, with **Horten** adding DM3 and **Kaufhof** rising DM2.50. Chemicals and Machines also gained broadly, led by **Deutsche Babcock** with a gain of DM 3.50 All major Electricals made slight gains.

AUSTRALIA — Substantial gains for leading resources stocks and others across the board, with continued overseas support.

Big gains in *Uranium sector*, with **Kathleen Investments** rising 40 cents to A$5, and **Queensland Mines** firming 20 cents to A$4.60.

Oil stocks eased slightly after yesterday's gains, with **Woodside Petroleum** closing 2 cents lower at A$1.05.

Among Diamonds, **Ashton** advanced a further 2 cents to A$1.22.

HONG KONG — Stocks closed *quietly easier, with some profit-*taking in late trading. The Hang Seng Index closed 0.88 of a point off to stand at 620.98.

Hong Kong Bank closed at $HK13.90, off 10 cents from the previous close.

AMSTERDAM — Share prices closed mostly easier in quiet trading, with **Akzo** and **Hoogevens** gaining Fl 0.70 and Fl 0.40 respectively.

Turnover on the European Options Exchange totalled 1,414 contracts against 1,573 the previous day. **Royal Dutch** was the most actively traded, with 360 contracts.

JOHANNESBURG — Gold shares firmed in line with higher bullion prices.

Indices

NEW YORK —DOW JONES

	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 3	1979 High	1979 Low	Since Compil'n High	Since Compil'n Low
● Industr'ls	867.06	858.28	855.14	852.81	848.55	846.16	875.72 (10/4)	807.00 (27/2)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	85.85	85.87	85.88	85.80	85.86	85.88	85.93 (2/8)	82.92 (8/5)	—	—
Transport	264.46	262.22	262.96	259.60	255.45	254.87	264.48 (10/8)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	108.15	108.29	108.65	108.59	108.58	108.02	108.90 (31/7)	[illegible] (15/5)	163.32 (20/4/69)	10.58 (28/4/42)
Trading Vol 000's	36,740	34,680	46,240	45,570	37,230	28,160	—	—	—	—

● Day's high 869.54 low 852.30

Ind. div. yield %	Aug. 3	July 27	July 20	Year ago (approx)
	5.73	5.76	5.83	5.25

STANDARD AND POORS

	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 3	1979 High	1979 Low	Since Cmpil'tn High	Since Cmpil'tn Low
‡Indust'ls	117.75	116.71	117.25	116.88	115.53	114.86	117.25 (8/8)	107.08 (27/2)	134.64 (11/1/73)	5.52 (30/6/32)
§Composite	106.40	105.49	105.98	105.65	104.30	104.04	106.98 (8/8)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Aug. 8	Aug. 1	July 25	Year ago (approx)
Ind. div. yield %	5.15	5.22	5.34	4.70
Ind. P/E Ratio	8.21	8.07	7.99	9.97
Long Gov. Bond Yield	8.85	8.91	8.91	8.52

N.Y.S.E. ALL COMMON

Aug. 10	Aug. 9	Aug. 8	Aug. 7	1979 High	1979 Low
60.64	60.14	60.36	60.18	60.64 (10/8)	53.88 (27/2)

Rises and Falls

	Aug. 10	Aug. 9	Aug. 8
Issues Traded	1,867	1,878	1,872
Rises	978	528	922
Falls	469	798	533
Unchanged	420	452	417
New Highs	—	72	136
New Lows	—	6	5

MONTREAL	Aug. 10	Aug. 9	Aug. 8	Aug. 7	1979 High	1979 Low
Industrial	265.12	263.18	262.81	261.25	279.19 (28/6)	219.19 (2/1)
Combined	265.66	264.05	263.85	262.25	275.15 (28/6)	225.80 (2/1)
TORONTO Composite	1575.0	1566.5	1565.2	1566.0	1616.6 (28/6)	1516.5 (2/1)
JOHANNESBURG Gold	306.2	301.0	281.5	288.1	308.4 (25/6)	228.4 (17/4)
Industrial	326.0	323.7	321.5	319.0	330.0 (23/5)	270.5 (2/1)

	Aug. 10	Previous	1979 High	1979 Low
Australia (¶)	609.90	606.11	609.90 (10/8)	548.72 (2/1)
Belgium (‖)	105.37	105.11	110.00 (5/7)	98.80 (3/1)
Denmark (**)	98.92	98.64	97.48 (25/7)	89.32 (2/1)
France (††)	80.5	80.0	90.5 (10/8)	71.6 (15/2)
Germany (‡‡)	765.80	765.1	838.6 (16/1)	719.4 (7/6)
Holland (§§)	75.7	75.9	85.9 (24/1)	71.3 (7/6)
Hong Kong (¶¶)	620.98	620.10	624.40 (30/7)	495.35 (2/1)
Italy (‖‖)	82.58	82.59	83.74 (1/8)	68.38 (3/1)
Japan (a)	447.58	448.74	463.97 (31/1)	435.13 (13/7)
Singapore (b)	387.89	(c)	404.13 (28/5)	346.34 (28/2)

	Aug. 10	Previous	1979 high	1979 Low
Spain (d)	92.21	92.23	111.96 (8/3)	91.42 (13/7)
Sweden (e)	382.72	380.80	401.34 (6/2)	338.88 (25/6)
Switzerl'd (f)	318.3	318.8	329.1 (2/5)	294.0 (3/1)

Indices and base dates (all base values 100 except NYSE All Common — 50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Contl. Air	818,800	15	+2
IBM	498,200	70⅜	+1⅛
Chrysler	340,700	8⅝	+ ⅞
Res. Oil	321,200	23⅝	+1
Pan Am	315,600	7⅛	+ ⅛
Exxon	312,700	52⅞	− ⅛
Loews	300,200	66⅝	+ 7⅞
Boeing	295,000	47⅝	+ 1⅛
Am. Tel.	268,900	57⅛	− ⅛
K. Mart	258,200	28⅛	+ ⅛

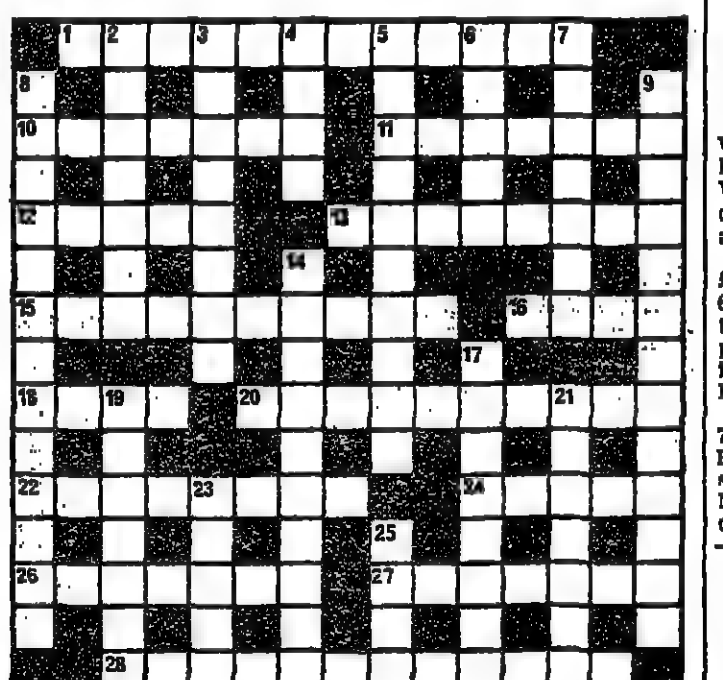
F.T. CROSSWORD PUZZLE No. 4,045

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



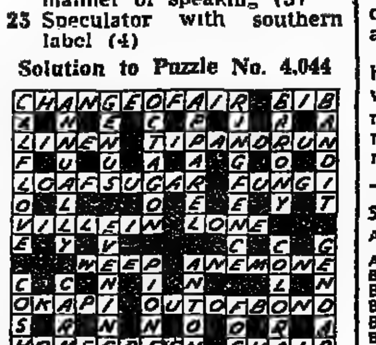
ACROSS

1 Sweet fruit to squander (5, 7)
10 Finished race swarming (7)
11 Crawler in the main (7)
12 Thick-skinned beast making money (5)
13 Serve as soldier with sleeves rolled up we hear (4, 4)
15 Lapse for sailor on Queen Elizabeth to share (10)
16 Suitable sound to apportion (4)
18 Self-starter cut down in display (4)
20 Searches for projects before a boxing match (5, 5)
22 Impermeable appearance of drunk (8)
24 A shortage unfortunately (5)
26 Weave two quarters with string (7)
27 Trifling with six during test (7)
28 Heavenly body has nothing to persuade female to join (4, 8)

DOWN

2 Assumption that building will be unfinished (7)
3 Port for a sailor (8)
4 European found in noisy pub (4)
5 Children on river come out (5, 5)
6 Judge whose rank is about right (5)
7 Feeling of regret about a code (7)
8 Indifferent to absence of violent trembling (2, 5, 6)
9 A commando for instance should be suited to fascinate the opposite sex (7, 2, 4)
14 Mechanical gadget inspires devotion (10)
17 Determinist filled out a catalogue (8)
19 Little by little boy comes round to desert in an irregular way (7)
21 Stone-like appearance of work on a railway (7)
23 Amin upset doctor in a manner of speaking (5)
25 Speculator with southern label (4)

Solution to Puzzle No. 4,044



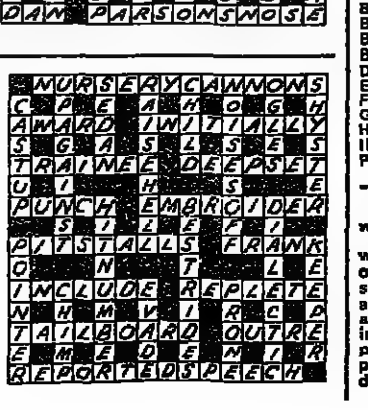
SOLUTION AND WINNERS OF PUZZLE No. 4,039

Following are winners of last Saturday's prize puzzle:

Mr. L. J. B. Callander, 6 Manorgate Gate, Kingston-upon-Thames, Surrey, KT2 7AL.

Mrs. O. Grove, 574 Bromford Lane, Ward End, Birmingham B8 2DS.

Mrs. V. Hasker, 11 Stuart Avenue, Ealing, London W5 3QJ.



RACING **BY DOMINIC WIGAN**

Strong line-up for the Hill Gold Cup

WITH THE exception of Fear Naught, the 11 milers in today's William Hill Gold Cup at Redcar have won or been placed at least twice this season.

Pipedreamer laid to lose £30,000 by Ladbrokes at 7-1 and 6-1 on Thursday, bids to defy top weight of 10 st. Others prominent in ante-post activity include Baronet, Piaffer, Dasman and Brigade of Guards.

My idea of the outcome is a 76th winner of the season for Henry Cecil's Warren Place stable in the form of Piaffer. Mrs. Peter Burrell's four-year-old can defy his 5 lb weight penalty as a result of winning the Crocker Bulteel Handicap at Ascot.

NEWMARKET
1.30—Stonehenge
2.00—Double Finesse*
2.30—Soldiers Point
3.00—Vielle***
3.30—Duke Street
4.00—Viva L'Armour
4.30—The Sampson Boys

REDCAR
1.45—Nocino
2.15—Madame Decoy
2.50—Piaffer**
3.20—Millfield Royal
3.50—Calerette
4.20—Comfrey
4.50—Starry Water

Piaffer was given as easy a race as possible over the straight mile on ground far firmer than he appreciates, and he beat Bolide at the line by only a neck after drifting across the course.

The runner-up, in spite of being 4 lb better off at the weights in today's handicap, has not been sent north to renew rivalry with his conqueror. It now seems likely that the third in that Ascot event, Baronet, will provide Piaffer with his stiffest opposition.

In the Redcar opening event the Timeform Racecard Stakes, Piaffer's trainer and jockey *should come out on top*. Here, Warren Place relies on the fast improving Nocino.

This half-brother to the 2,000 guineas winner, Nebbiolo, found no problems in disposing of Aswad in a seven-furlong maiden event at Chester, and he again won with similar authority at Warwick.

A 3-1 on chance for the Coral Classics Stakes qualifier there, Nocino led from start to finish.

Although the runner-up, Meistersinger, to whom Cecil's charge was giving 12 lb, is of little account, and Nocino tackles yielding ground for the first time, anything other than an emphatic follow-up will surprise me. In the absence of En Avant, who has been switched to Newmarket, Lan*tern Lad could be the right one* for forecast purposes.

At Newmarket there are two sponsored events, the B & L Soflens Stakes and the New Zealand-Great Britain Handicap. Bausch and Lomb/Soflens has attracted 12 runners for its seven-furlongs event which it sponsors for the second year. With the Jockey Club ruling that the only acceptable form of eye correction in racing *is* that of soft contact lenses, the support for this event, likely to be won by Double Finesse, seems particularly apt.

Soldiers Point is taken to win the New Zealand-Great Britain Handicap. Half-an-hour later Vielle is given a confident vote in the Sweet Solera Stakes.

SPAIN ♥

August 10	Per cent	
Asland	108	—
Banco Bilbao	256	—
Banco Central	279	—
Banco Exterior	282	—
B. Granada (1,000)	134	—
Banco Hispano	242	—
Bco. I. Cat. (1,000)	[illegible]	− 1
Banco Madrid	192	—
B. Santander (250)	261	—
Bco. Urquijo (1,000)	219	—
Banco Vizcaya	258	—
Banco Zaragozano	212	—
Dragados	123	− 1
Espanola Zinc	68	—
Fecsa (1,000)	53.75	− 0.25
Gal. Preciados	[illegible]	—
Hidrola	61.50	+ 0.25
Iberduero	58	+ 0.25
Petroliber	83	—
Petroleos	125	− 1
Sogefisa	122	—
Telefonica	63	—
Union Elec.	60.75	—

BRAZIL

Aug. 10	Price Cruz	+ or −	Cruz Div.	Yld. %
Acesita	0.95	−0.01	0.14	14.74
Bancodo Brazil	1.63	......	0.11	6.75
Banco Itau PN	1.36	+0.01	0.08	5.89
Belgo Mi'eiraOP	1.66	−0.02	0.08	4.82
Lojas Amer O.P.	2.06	−0.01	0.20	9.71
Petrobras PP	1.40	......	0.13	9.29
Pirelli OP	1.09	−0.01	0.08	7.34
Souza Cruz OP	2.45	+0.06	0.08	3.27
Unip PE	5.63	−0.05	0.32	5.36
ValeRioDoce PP	1.57	−0.02	0.15	9.55

Turnover: Cr.91.8m. Volume: 49.4m.
Source: Rio de Janeiro SE.

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax.

◆ DM 50 denom. unless otherwise stated. ♠ Pts 500 denom. unless otherwise stated. ♣ Kr 100 denom. unless otherwise stated. ● FFr 500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. ▲ Interim since increased.

هكذا من الأصل

First-half advance at Thyssen-Bornemisza

By Our Amsterdam Correspondent

THE INTERNATIONAL industrial holding company Thyssen-Bornemisza announces a 7 per cent increase in earnings in the first half of 1979 on turnover 30 per cent lower. Net profits rose to Fl 57.9m ($28.9m) from Fl 54.1m in the first half of 1978 while sales fell to Fl 1.08bn ($540m) from Fl 1.53bn.

The decline in turnover was largely due to lower deliveries by the group's West German shipbuilding company, Bremer Vulkan, a change in group accounting practice and unfavourable exchange rate movements. The dollar declined by 10 per cent against the guilder in the 12 months to the end of June, 1979, and more than 50 per cent of TB's earnings come from the U.S. or from dollar-based companies where most sectors improved on last year.

With the exception of the shipbuilding and ship repair sectors earnings improved in Europe, despite a slow start due to a harsh winter. The TB holding company, with headquarters in Monaco, has two operating companies, Thyssen-Bornemisza Europe in Amsterdam and Indian Head Incorporated of New York.

EOE to trade German options

AMSTERDAM — The European Options Exchange has received approval from the Dutch Finance Ministry to list West German stock options alongside the quoted options on Dutch, U.S., French, Belgian and UK shares.

Speculation among EoE traders suggests that the new options would be linked to BASF, Bayer, Hoechst, Mannesmann, AEG-Telefunken and Siemens. Reuter

Six-month profit gains from Amro and ABN

BY CHARLES BATCHELOR IN AMSTERDAM

TWO OF THE largest Dutch banks, Amsterdam-Rotterdam Bank and Algemene Bank Nederland yesterday announced unchanged interim dividend payments despite higher first-half profits. Both reported a slower growth of net profits than of balance sheet totals.

Amro managed to increase net profits by 15 per cent compared to 6½ per cent at ABN. The former also appears moderately optimistic for the second half of this year while ABN declines to make a forecast because of a number of "uncertainties."

Amro's consolidated net profit rose to Fl 120.3m ($60.1m). Income rose by 12.5 per cent to Fl 1.07bn while costs rose more slowly. At Fl 776m they were 10.2 per cent higher than in 1978.

Gross profit was 18.7 per cent higher at Fl 298.6m. Provisions for general risks rose by Fl 90m compared wtih the Fl 72.5m increase in 1978 while provisions for tax were Fl 88.3m compared with Fl 74.7m in 1978.

Net profit per share was Fl 4.88, unchanged on the first half of last year but down on the Fl 6.14 in the second half. The balance sheet total rose by 17.5 per cent to Fl 74.9m in the 12 months ended June 1979.

Amro described the development of business in the first half as satisfactory. The share of Eurocurrency business in total business volume fell slightly while other "basic" business increased by 10 per cent, compared with the rise of 10.4 per cent in the first half of 1978.

Credit granted rose by 16.5 per cent on an annual basis. Partly because of the growth of medium-term borrowings Amro was well within the credit limits set by the central bank and it therefore expects to be able to meet credit demand from industry normally in the coming months.

The bank expects to repeat the first-half rate of growth of business volume in the current six months although the interest margin will continue under some pressure. Amro nevertheless hopes to achieve a "small to moderate" increase in net profit in the second half. The money and currency markets are a potentially unsettling factor, however.

Consolidated net profit at ABN rose 6.3 per cent to Fl 128.4m ($64.2m). ABN made provisions of Fl 70m for general risks compared with Fl 67.5m in 1978 and set aside Fl 106.3m for tax against Fl 116.4m last year. Its balance-sheet total rose 20 per cent to Fl 82.7bn ($41.3bn).

ABN also reported that net profits at its merchant banking subsidiary, Mees en Hope, rose to Fl 16.6m from Fl 16.1m.

The bank said it could not forecast the extent of the overall rise in profits this year in view of the economic problems in a number of countries, the possibility of unrest on the foreign exchanges and political uncertainties in some parts of the world.

JAPANESE TRADING HOUSES

Sharp improvement at Sumitomo

BY RICHARD C. HANSON IN TOKYO

SUMITOMO CORPORATION, the Japanese trading house, raised its consolidated net profit by 77.5 per cent in the year to March to Y9.56bn ($44.5m), as exchange rate translations losses from overseas subsidiaries were pared down. The net profit on a consolidated basis compares with those for the parent company alone of Y7.66bn up 4.1 per cent.

Total sales in the consolidated account were down 0.8 per cent to Y5.849bn ($27.2bn)—sales totals for the trading companies are not substantially different from parent results. The slight decline was the result of a 3.5 per cent drop in exports and a 12.6 per cent dip in imports. Overseas sales picked up 30.3 per cent and domestic sales gained 0.9 per cent.

Sumitomo benefited from a decline in exchange losses. Its U.S. subsidiary, for example, showed a Y129m translation loss on the consolidated account, compared with a Y2.41bn loss the previous year.

The company foresees a levelling off in sales in the second half.

Nissho-Iwai Company, another leading trading house, also announced that its consolidated net profits increased sharply in the year to March 31. Nichimen Company, among the trading houses, however, reported a steep decline in net profit—and Marubeni Corporation reported a net deficit, though at a level substantially below the 1977-78 level.

Marubeni's consolidated net deficit of Y3.77bn compares with a loss of Y16.07bn the previous year.

Sales amounted to Y6,300bn, against Y6,380bn.

On a parent company basis, it reported in May an after-tax profit of Y4.41bn for the year, against Y3.83bn in 1977-78, on sales of Y6,270bn, against Y6,350bn.

Net profits at Nissho-Iwai went up 65.6 per cent to Y4.24bn, from Y2.56bn though sales, at Y4.411bn, showed a 2.4 per cent decline from the Y4.518bn in the previous year. The company earlier reported net parent company profits of Y2.95bn, compared with Y2.34bn, on sales of Y4,160bn, compared with Y4,280bn.

Nissho-Iwai's consolidated sales in Japan totalled Y2,126bn, up 0.3 per cent. Export sales declined by 19.4 per cent to Y856.81bn from Y1,062bn. Imports, on the other hand, gained 11.8 per cent to total Y902.97bn from Y807.89bn. Sales from arranging trade among other countries amounted to Y525.06bn, for a decline of 0.3 per cent.

Nichimen said that its net profit went down 81.8 per cent to Y202m from Y1.11bn. Sales rose by 0.3 per cent to Y1,920bn, from Y1,915bn. The profit decline was attributed to the company's subsidiary in the U.S. not being paid for goods it had sold, because of business difficulties.

Nichimen's domestic sales amounted to Y714.953bn, up 0.1 per cent. Export sales were Y486.835bn, down 1.1 per cent, imports Y347.74bn, down 17.4 per cent, and overseas trade Y371.16bn for a gain of 28.8 per cent.

Ampol ahead in Ansett battle

By James Forth in Sydney

AMPOL PETROLEUM has lifted its stake in Ansett Transport Industries to between 17 per cent and 20 per cent of the capital, and appears to have headed off its main rival, the Bell Group in the race for control of the airline, hotel and television group.

It is widely thought that Ampol plans to co-operate with the international transport group, Thomas Nationwide Transport, which has held a 15 per cent equity in Ansett for some time. Between them, Ampol and TNT already hold more than 30 per cent of Ansett's capital, and are virtually in a position to exercise control.

Bell holds about 12.5 per cent, while a group of interests supporting the Ansett board holds about 8.5 per cent. The Bell group has been buying Ansett shares, on and off market, for several weeks. Ampol stepped in early this week and the "friends" of the Board, believed to include a superannuation fund, intervened late in the week, as the pace of the contest between Ampol and Bell Group picked up. Ampol yesterday bought two parcels off the market totalling 4.5m shares, or 5.8 per cent of the capital, which gave it the lead. The shares represented the holdings of several institutions anxious to sell before the market contest ended, and Ansett's price fell back.

IP sells part of Bodcaw for $188m

By Our Financial Staff

INTERNATIONAL Paper has agreed to sell for about $188m in cash to Placid Oil of Dallas all mineral properties presently by Bodcaw Company, the Texas timber concern, in which IP acquired a majority of shares in a fiercely-fought takeover battle. The fight ended on Thursday when IP raised its offer to $850m or 9.3 per cent instalment notes.

The mineral properties include leasehold oil and gas interests, producing wells and facilities. The transaction is subject to certain regulatory reviews and conditions.

More foreign banks plan commercial paper issues

BY DAVID LASCELLES IN NEW YORK

MORE THAN a dozen foreign banks have now applied for or received exemption from U.S. investment laws so that they can start issuing commercial paper on the U.S. money-markets.

On Tuesday, the Securities and Exchange Commission gave permission to Banque Nationale de Paris, Credit Lyonnais, Societe Generale of France, Kansallis-Osake-Pankki, Post-och Kreditbanken, Skandinaviska Enskilda Banken and Svenska Handelsbanken. Yesterday, the SEC confirmed that six more banks had sought exemption. They are Barclays Bank International, Barclays Bank, Scandinavian Bank, Continental Bank of Canada, Banque Bruxelles Lambert, and Postinpankki.

The sudden rash of applications follows clarification of the regulatory status of foreign banks wishing to enter the money markets. Under U.S. law, most banks not directly regulated by the U.S. authorities may be deemed to be investment companies, and as such are subject to the very tough disclosure and operating provisions of the 1940 Investment Company Act.

Last year, however, Svenska Handelsbanken, acting on an opinion from its counsel that the Act did not apply to foreign banks, began to issue commercial paper on the U.S. markets.

The SEC put a halt to this a few months later while it studied the situation, then it announced this summer that exemptions would be made.

Foreign banks' interest in the commercial paper market stems from two sources. One is the growing involvement of foreign banks in the U.S. generally. The past two years have seen a rapid increase in the foreign presence in most major forms of banking, ranging all the way from corporate finance to consumer credit.

The other is the marginally lower cost of borrowing in the commercial paper market. Yesterday, for instance, directly placed commercial paper was quoted at 10 per cent, while Certificates of Deposit and bankers acceptances were 10.10 per cent.

Mr. Thomas McGuire of Moody's, the rating agency, said that a large number of foreign banks had recently applied for a credit rating, and that these were now being processed. All the ratings so far published had been the highest grade, he said.

Beneficial to pay $115m for Capital Financial

BY OUR FINANCIAL STAFF

BENEFICIAL Corporation, the large U.S. consumer loan company, is moving swiftly to complete its second major acquisition in less than five months.

Beneficial is to acquire Capital Financial Services for $115m having purchased the Texan savings and loan company, First Texas Financial, for $92m last April. A definitive agreement has been signed with Continental Corporation the present owner of CFS.

Continental Corporation owns Continental Insurance one of the largest property-casualty underwriters in the U.S. In 1978, consumer finance accounted for 51 per cent of Beneficial's total earnings with insurance representing 42 per cent.

Beneficial and Continental have signed a definitive contract under which a subsidiary of Beneficial will purchase CFS. It is expected that the acquisition will be completed by late August subject to receipt of regulatory approval and satisfactory completion of discussions being held between the Justice Department and Beneficial concerning the acquisition.

APM improves dividend

BY OUR SYDNEY CORRESPONDENT

AUSTRALIAN PAPER Manufacturers, the largest supplier of paper and paper board to the packaging industry, has raised its dividend from 10 cents a share to 11 cents following a 52 per cent increase in group profit for the year to June 30.

Earnings rose from A$17.58m to A$24.74m (U.S.$27.8m) largely reflecting benefits from previous capital expansion programmes, improved performance in the group's pulp and paper mills, and contributions from recent diversification moves.

Results from the recently acquired importer and merchant, Brown and Dureau, were included for the first time, and contributed A$2.84m.

Procter & Gamble ahead in final quarter

By Our Financial Staff

PROCTER AND GAMBLE, the household products group, turned in net earnings of $114.34m or $1.39 a share for the final quarter ended June 30 against $103.63m or $1.25 a share for last year's final quarter. The profit gain was 10 per cent on a 13 per cent sales increase. Sales rose to $2.34bn against $2.06bn.

Net profit for the year was $577m or $6.99 a share compared to $511m or $6.19 a share, an increase of 13 per cent. Sales totalled $9.33bn against $8.10bn, a rise of 15 per cent.

The company said that profits from outside the U.S. rose 44 per cent from the depressed levels of the previous year, aided by "the benefits of business building efforts of earlier years and of some strengthening of economic conditions overseas."

The gain was "broadly based geographically and flowed from new records in unit volumes."

COMMODITIES/REVIEW OF THE WEEK

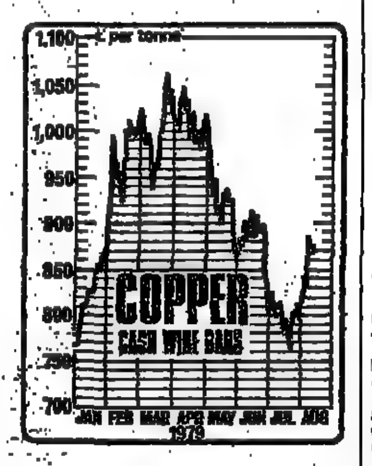
Copper prices move up strongly again

BY OUR COMMODITIES STAFF

COPPER PRICES moved up strongly again on the London Metal Exchange this week. A feature of the market was a shortage of immediately available supplies, especially wirebars. At one stage cash wirebars rose above the three months quotation reaching a peak of £885 before closing last night at £876.5 a tonne, £33 up on the week. The three months quotation eventually ended the week £27.75 higher at £880 a tonne.

Warehouse stocks of copper are, in fact, expected to show only a small fall, after the bigger than expected decline of 3,600 tonnes reported on Monday that cut total warehouse holdings to 171,950 tonnes—the lowest level since March 1975.

The rise in the London market was encouraged by a general increase of 2 cents to 88 cents a lb in U.S. domestic copper prices and renewed speculative buying interest, especially in New York. However profit-taking sales came in at the higher level and the rise in sterling against the dollar yesterday reversed an early sharp increase in prices.



Tin, lead and zinc prices lost ground. Lead quickly shed some of the spectacular gains made at the end of last week. A rise in warehouse stocks, and lack of buying interest, encouraged profit-taking sales. But predictions of another hefty stocks rise, to be announced on Monday, were offset by a report from the U.S. that producer stocks there had fallen by 24 per cent at end-July.

Silver values rallied following the recovery in gold. After falling to 390.2p an ounce early in the week, the bullion spot quotation moved up to 407.30p yesterday despite the stronger trend in sterling.

"Soft" commodity prices were generally boosted by the continued weakness of sterling early in the week but tended to ease later on as the pound recovered.

December delivery cocoa ended the week £24.5 down on balance at £1,416.5 a tonne after rising above £1,500 at one stage.

The decline was also encouraged by heavy Brazilian selling and some physical sales of Nigeran cocoa, dealers said.

This week's Ghanaian cocoa purchase figure might have influenced the fall. The Marketing Board said the total after three weeks of the current mid-crop season stood at 7,107 tonnes. This compared with 7,343 tonnes at the same time last year but then the season was already 10 weeks old.

The rise in coffee prices was helped by strong rumours that U.S. roasters had bought up to 250,000 bags (60 kilos each) of African robustas held in Europe and the U.S. This coffee was assumed to come from stocks held by the Bogota group of Latin American producers which has been buying coffee over the last nine months under its price support policy.

Dealers said this was the only source from which such a large amount of coffee would be available.

The November coffee price ended the week £21.5 higher at £1,736 a tonne.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1979 High	1979 Low
METALS					
Aluminium	£710/60	—	£680	£730	£710
Free Markets c.i.f.	$1,545/65	+20	$1045/55	$1,640	$1,210
Antimony					
Free Market 99.6%	$2975/3050	+25	$2,450/500	$3,300	$2,712.5
Copper Cash Wire Bars	£876.5	+33	£738.5	£1,062.5	£769
3 months Do. Do	£880	+27.75	£754.25	£1,073.75	£783.75
Cash Cathodes	£860	+35	£739	£1,054	£744.5
3 months Do	£865.5	+32	£750	£1,068	£767.25
Gold per oz	$302.375	+16	[illegible]	$306.375	$216.525
Lead cash	£573	—12	[illegible]	£701.5	£456.75
3 months	£553.5	—11	£330.75	£642.5	£420.75
Nickel	£2,354	—	‡	£3,325.4	2,320.69
Free Market c.i.f. lb	$250/270c	—5	$1.77/90	340c	165c
Platinum per oz	£155.5	—	£124.5	£171.0	[illegible]
Free Market per oz	£170.35	+1.05	£139.5	£218.65	£156.9
Quicksilver (76lbs.)	$295/315	+5	$125/30	$355	$160
Silver per oz	407.30p	+10.75	286.6p	426.3p	269.4p
3 months per oz	419.20p	+12.65	293.8p	437.9p	303.7p
Tin cash	£6,510	—100	£6,570	£7,957.5	£6,320
3 months	£6,552.5	—42.5	£6,592.5	£7,317.5	£6,365
Tungsten Ind	$143.12	—	$134/50	$146.56	$127.94
Wolfram (22.04 lb)	$136/143	+2.5	$134/38	$147.5	$120.5
Zinc cash	£306.75	—3.5	£322	£408.5	£289
3 months	£316.75	—2.5	£330.125	£423.5	£299.75
Producers	$780	—	$625	$845	$720
GRAINS					
Barley					
Home Futures	£91.10	+0.4	£81.65	£96.65	£85.5
Maize					
French No. 3 Yellow (Amer)	£108.0	+0.2	£100	£113	£105.5
WHEAT					
No. 1 Red Spring	£94.00	+2	£90.5	£99.0	£90.0
Am. Hard Winter	£96.6s	+1.6	‡	£100.5p	£85.5
Eng. Milling (new crop)	‡	—	£93.00	£107.5	£43.5
SPICES					
Cloves (g)	£3,850x	—	£5,000	£3,975	£3,850
Pepper, white	$2,825x	—50	$2,650	$2,850	$2 600
" black	$2,000x	—50	$1,650	$1,850	$1 560
OILS					
Coconut (Philippines)	$1,045x	—15	$650	$1,175	$925
Groundnut 5%	‡	—	£548	‡	‡
Linseed, Crude	£395	—	£331	£441	£386
Palm Malayan	$650y	—7	£551	$720	$610
SEEDS					
Copra (Philippines)	$595t	—15	$450	$745	$620
Soyabeans (U.S.)	$307.35t	—8.9	$266.25	$350.45n	$283.25
OTHER COMMODITIES					
Cocoa Shipment	£1,459	—8.5	£1,860	£2,041	£1,45.52
F'ts 2nd pos	£1,416.5	—24.5	£1,804	£1,990.5	£1,330.5
Coffee Futures Nov	£1,736	+30.5	£1,206	£2,069	£1,298.5
Cotton index	76.90c	+0.05	72.1c	78.65c	72.5c
Des. Coconut	£720	—	$640	£740	£700
Jute L.I ABW C grade	£238	—25	£470	$536	$476
Rubber kilo	55.25p	+1.25	55p	67.750p	55p
Sago Pearl	£195x	—	£126	£195	£178
Sisal No. 3 L	$860	—	$520/40	$850/75	$515
Sugar (Raw)	£100.0	+3	£94	£109	£92.5
Tapioca No. 1	£188x	—	£168	£201	£167
Tea (quality) kilo	138p	+1	128p	138p	125p
" (plain) kilo	83p	+10	65p	82p	60p
Wooltops 64s Warp	268p	+3	281p kilo	291p kilo	262p kilo

* Nominal. ‡ Unquoted. (g) Madagascar. (w) Sept./Oct. (s) July/Aug. (t) Sept. (y) Oct. (x) Aug./Sept.

MARKET REPORTS

BASE METALS

COPPER—Firmer on the London Metal Exchange. Forward metal opened around £882 and initially moved up to £888 on the early pre-market owing to U.S. stop-loss buying. Thereafter the price moved erratically between £877 and £884 before closing the late Kerb at the latter. Turnover: 19,250 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	882-3	—.75	876-7	+7
3 months	883-4	+1.5	879.5-80.5	+7.75
Settlem't	883	—.5	—	......
Cathodes				
Cash	850-2	+1.5	849-51	+9
3 months	865-7	+1.25	865-6	+8.5
Settlem't	852	+2	—	......
U.S. Smt.	—	......	*84-87†	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £883, three months £883, 88, 87, 85, 87, 86, 85.5, 84.5, 84. Kerb: Wirebars, three months £882, 81. Cathodes, three months £866. Afternoon: Wirebars, cash £876, three months £879, 77, 81, 82, 81, 80, 79, 79.5, 80. Cathodes, three months £865. Kerb: Wirebars, three months £881, 80, 81, 82, 83, 82, 82.5, 83, 84.

TIN—Lower following a fall in the Penang market which depressed forward metal from £6,580 on the early pre-market to the day's low of £6,530 in the afternoon prior to a close on the late Kerb of £6,540. Turnover: 785 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6540-60	—57.5	6500-20	—55
3 months	6580-90	—75	6560-75	—42.5
Settlem't	6560	—60	—	......
Standard				
Cash	6540-60	—57.5	6500-20	—55
3 months	6570-5	—75	6550-56	—42.5
Settlem't	6560	—60	—	......
Straits. E.	$51900	—25	—	......
New York	—	......	—	......

Morning: Standard, cash £6,525, 40, 50, three months £6,580, 60, 70, 75, 70. Afternoon: Standard, three months ...

Alumn'm	a.m. Official	+ or —	p.m. Unofficial	† + or —
	£	£	£	£
Spot	711-3	+8	705-7	+6.5
3 months	701-2	+10	694-5	+5

NICKEL—Easier in subdued trading with forward metal closing at £2,595 on the late Kerb. Turnover: 318 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2520-40	—25	2520-30	—50
3 months	2600-20	—40	2600-10	—47.5

Morning: Three months £2,600, 2,550, 95, 2,600. Kerb: Three months £2,600. Afternoon: Three months £2,590.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 1.9p an ounce higher for spot delivery in the London bullion market yesterday at 407.3p. U.S. cent equivalents of the fixing levels were: spot 913.1c, up 12.5c; three-month 932.9c, up 14.1c; six-month 952.4c, up 13.8c; and 12-month 985.8c, up 13.8c. The metal opened at 404¼-405¼p (905-907c) and closed at 404.8-405.8p (910-912c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	407.30p	+1.9	405.5p	+5.9
3 months	419.20p	+2.5	417.65p	+4.17
6 months	430.20p	+2.10	—	......
12 months	499.70p	+2.10	—	......

LME—Turnover 317 (113) lots of 10,000 ozs. Morning: Three months 421, 20.7, 19.5, 19, 18, 17.8, 18, 8.2, 8.5, 8.8, 8.6, 8.5. Kerbs: Three months 418, 17.5. Afternoon: Three months 417, 16.8, 6.5, 6.2, 17, 7.1, 7.3, 7.5. Kerbs: Three months 417.6, 18, 8.4.

COCOA

Cocoa futures weakened further due to continued Commission House selling aided by a stronger Sterling before profit taking at the close pared losses, ...

GRAINS

RUBBER

SOYABEAN MEAL

SUGAR

COFFEE

AMERICAN MARKETS

NEW YORK, August 10.

THE GRAIN MARKET was mixed in a narrow range ahead of the official Government crop report. Soyabeans and products were also mixed. Cotton, faced with the same crop report uncertainty, was narrowly mixed. Precious metals, after staging a good rally, ...

INDICES

FINANCIAL TIMES

MOODY'S

DOW JONES

REUTERS

MEAT/VEGETABLES

WOOL FUTURES

APPOINTMENTS

Senior post at English Property

Mr. Donald J. Hughes, director of finance at the National Girobank, will join the Board of ENGLISH PROPERTY CORPORATION as director of accounting on October 1.

★

Mr. D. H. Rice has been appointed director and financial controller, and **Mr. Peter Marsh** has been appointed director, sales, of WOODALL-DUCKHAM, a member of Babcock Contractors group.

★

Mr. Keith Jackson, who has been financial director of FELL AND BRIANT, BPC's Croydon label printers, for the past three years has been appointed deputy managing director of that company and managing director of the associate company FBH Labelling Systems which supplies reel-fed labelling machinery. Two appointments have been made to the board of PHOEBUS PUBLISHING COMPANY, a BPC Publishing subsidiary—**Mr. Mike Emery**, who joined the company as production manager last October has become production director, and **Mr. Richard Ganson** who was sales and circulation manager, has been made circulation director.

★

WILLIS, FABER AND DUMAS has appointed **Mr. R. J. Sparkes** a director.

★

Mr. Joseph J. Buttigieg III, vice president and senior international banking officer has been appointed to the London office of MANUFACTURERS NATIONAL BANK DETROIT from September 1.

★

Mr. Brian Baylis has been appointed as the new managing director of B AND G (LEATHERCLOTH).

★

Mr. Alan H. Robinson, senior personnel manager, has been appointed an assistant general manager of GUARDIAN ROYAL EXCHANGE ASSURANCE with responsibility for personnel matters.

★

Mr. Anthony Glenn has joined the EDMAN GROUP as financial controller for the advertising, *recruitment and photographic* divisions.

★

Mr. George Robinson has been appointed a non-executive director of THE SANGERS GROUP.

★

Mr. Mike Allen has been appointed managing director of WILLETT, a Trafalgar House company, in succession to **Mr. Barry Myers** who has become chairman.

★

Mr. Maurice Porter has been appointed managing director of builders BRIDGE WALKER, Trafalgar House Group.

★

Mr. Robert Kewell has been appointed scaffolding director of PALMERS SCAFFOLDING, a member of the Thomas Tilling Group.

★

Mr. M. J. Fuller, group public affairs adviser MIDLAND BANK, has been appointed a regional director, Southampton. He succeeds **Mr. P. G. Coleman**, who has been appointed an assistant general manager.

★

Mr. Stephen R. Izatt has joined the board of SETAS INVESTMENTS as an executive director.

★

Mr. Andrew Walters is to resume the managing directorship of IML AIR SERVICES on August 13. **Mr. Nicholas Pearson** will retain his former non-executive role on the group board.

★

Mr. Alexander Meikle a director of the WOOLWICH EQUITABLE BUILDING SOCIETY has retired from the board after 51 years with the society.

★

Mr. Roy Andrews has been made managing director of HORNSEA POTTERY. He has been works director since 1962.

★

Mr. Tony Stoller is to be the first chief executive of the ASSOCIATION OF INDEPENDENT RADIO CONTRACTORS. *He will take up his appointment* at the association, which represents all 19 independent local radio stations, later this year. **Miss Cecilia A. Garnett**, who has been in charge of the organisation *as secretary, since 1975*, has resigned. Mr. Stoller is currently head of radio programming at the Independent Broadcasting Authority.

★

Mr. Rudolph I. J. Agnew, Group chief executive of Consolidated Gold Fields, has been elected to the Board of DRAYTON PREMIER INVESTMENT TRUST.

★

Mr. V. S. Dalgaard has become chief exective of COLD STORAGE HOLDINGS, Singapore. He joined the company in November, 1955. He succeeds **Mr. M. V. Quie**, who retired recently on medical grounds.

★

Mr. Donald R. B. Banks has been appointed managing director of CYANAMID OF GREAT BRITAIN.

★

Mr. R. Jonathan Mather has been appointed deputy managing director of COLWYN, LOW AND BONAR, Ndola, a Zambian company in the textiles division of The Low and Bonar Group, Dundee. Before joining the group two years ago, Mr. Mather was senior manager of Coopers and Lybrand, accountants, at Lusaka.

★

Mr. Mike McGlone has been appointed financial director of RELIANCE HOSIERY (HALIFAX), a subsidiary of Reliance Knitwear Group.

★

Mr. Albert S. Humphrey, chairman of Business Planning and Development Inc., has been *elected a director of K. F. BEER* GmbH, whose headquarters are in Dusseldorf.

★

Mr. Alan Fraser, company accountant of Economic Forestry *(Lowland)*, has been appointed director of two of EFG's wholly-owned subsidiary companies, GENKIRK and BEECHING OF ASH.

★

Mr. Brian Green has been appointed general manager, BOC GAS EQUIPMENT, Skelmersdale, Lancs., from November 1. He succeeds **Mr. W. A. Joss** who has been appointed regional controller, BOC Gases Division, Northern Region. Mr. Green was managing director, Soxal, the joint BOC International/L'Aire Liquide company in Singapore.

★

TURNER AND NEWALL states that **Mr. Peter M. Howlett** has resigned, for health reasons, from the Board of its subsidiary *Ferodo and from the Boards of* Ferodo companies overseas.

★

TUSCAN ENGINEERING COMPANY, manufacturer of electric motors, Bridgend, Mid-Glamorgan, has appointed **Dr. David Molyneux** as director, general manager designate. He will take immediate responsibility for the sales, marketing and development engineering functions.

★

EUCALYPTUS PULP MILLS has appointed **Mr. John Chatwin** as managing director designate *of the operating company in* Portugal, Companhia de Celulose do Caima S.A.R.L., from September. He has been marketing director of the fine paper makers Culter Guard *Bridge since 1974, after spending* 20 years with Spicers and Reeds.

★

COMMONWEALTH TRADING BANK OF AUSTRALIA, London. He succeeds **Mr. A. R. Nimmo** who is returning to Australia as manager of the bank's Melbourne office. **Mr. W. K. Wilson**, formerly an assistant manager in the bank's international division in Sydney, has been appointed to the new position of senior manager, commercial operations, London.

★

Mr. R. W. S. Baker has been appointed vice-president and deputy general manager of the British division of SUN LIFE ASSURANCE COMPANY OF CANADA.

INSURANCE BASE RATES

† Vaubrugh Guaranteed 12¼%
‡ Property Growth 11¼%
† Address shown under Insurance and Property Bond Table.

EUROPEAN OPTIONS EXCHANGE

Series		Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	April Vol.	April Last	Stock
AKZ C	F.27.50	30	2.30	—	—	10	4	F.29.20
AKZ C	F.30	25	1.40	98	2.20	22	3	"
AKZ C	F.32.50	8	0.40	20	1	—	—	"
ARB C	F.70	2	4.20	—	—	—	—	F.72.80
CSF C	F.400	5	39	—	—	—	—	F.433.20
HO C	F.30	10	3.50	—	—	—	—	F.32.40
HO C	F.32.50	65	1.60	48	2.40	—	—	"
HO C	F.35	—	—	70	1.20	—	—	"
IBM C	$75	—	—	2	2⅛	—	—	$68⅞
KLM C	F.100	6	9.70	—	—	—	—	F.106
KLM C	F.110	15	4	13	7.30	4	9	"
KLM C	F.120	12	1.70	9	4	—	—	"
KLM C	F.130	12	0.70	—	—	—	—	"
KLM P	F.100	10	1	—	—	—	—	"
KLM P	F.110	69	4.70	10	6.80	—	—	"
KLM P	F.120	20	13.80	—	—	—	—	"
NN C	F.110	20	5.60	5	8	—	—	F.114.10
NN C	F.115	—	—	3	4.60	1	4	"
NN C	F.120	6	0.70	30	2.60	—	—	"
PET C	Fr.5000	11	280	—	—	—	—	Fr.4860
PET C	Fr.5600	14	110	—	—	—	—	"
PHI C	F.22.50	29	2.90	—	—	3	3.70	F.24.90
PHI C	F.25	146	1.30	57	1.70	1	2.30	"
PHI C	F.25.50	60	0.30	45	0.60	—	—	"
PHI P	F.27.50	4	2.80	4	2.90	—	—	"
RD C	F.120	2	28.50	—	—	—	—	F.148.20
RD C	F.140	108	9.60	—	—	—	—	"
RD C	F.145	—	—	15	8	—	—	"
RD C	F.150	120	3.40	56	6.90	—	—	"
RD P	F.160	81	0.70	—	—	—	—	"
UNI C	F.130	1	3	10	4.50	1	5.60	F.130.50
UNI C	F.135	4	1.10	—	—	—	—	"
XRX C	$70	—	—	2	2⅝	—	—	$66¼
		Aug.		Nov.		Feb.		
BA C	$40	1	6¼	—	—	—	—	$46
BA C	$46⅝	3	¼	—	—	—	—	"
BAZ C	$40	10	6	—	—	—	—	$46
BAZ C	$45	—	—	2	5⅝	—	—	"
SLY C	$80	2	⅝	—	—	1	6	$80
		Sept.		Dec.		Mar.		
S C	$20	—	—	—	—	5	1¼	$19⅛

TOTAL VOLUME IN CONTRACTS 1414

C=Call P=Put

BRITISH FUNDS (954)

FOREIGN STOCKS (3)

FOREIGN CPNS. (—)

BANKS (144)

BREWERIES (192)

INTL. BANK (1)

CORPORATIONS (28)

PUBLIC BOARDS (17)

FREE OF STAMP DUTY

Agricultural Mort. Cor. 4½pcDb. 1961-91 51½ (8/8). 5pcDb. 1959-89 64½ (8/8). 5pcDb. 1979-83 77½ (8/8). 6½pcDb. 57½@. 7¼pcDb. 1981-84 84½ (7/8). 7½pcDb. 1991-93 71½. 9½pcDb. 87¼@. 14¼pcDb. 104½ (8/8)
Clyde Port Authority 3pc 20 (3/8)
Finance for Industry 13pcLn. 100½
Manchester Mtg Con. 7¼pc 92 61-64ths (7/8)
Metropolitan Water Brd. 5½pc 93 (7/8)
Port of London Authority 6½pc 39 (8/8)

COMMONWEALTH GOVTS. (13)

REGISTERED AND INSCRIBED STOCKS FREE OF STAMP DUTY

Australia 5½pc 1977-80 97½ (8/8). 5½pc

Building career drive planned promotion

A WIDE-RANGING programme *of career promotion activities in* the building industry is planned by the Building Industry Careers Service (BICS).

They include: Research to enable BICS to prepare information on salary ranges and future salary prospects in each region; the establishment of liaison groups to co-ordinate building industry career promotion activities; the organisation of regular site visits by schools careers advisers; annual careers conventions and contact with education authorities.

Stock Exchange dealings

Thursday, August 9 18,222
Wednesday, August 8 18,563
Tuesday, August 7 15,944
Monday, August 6 13,477
Friday, August 3 13,999
Thursday, August 2 14,071

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days; these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and *the list cannot, therefore, be regarded as a complete record of prices at which* business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. ▲ Bargains done with or between non-members. ● Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

COMMERCIAL (2,312)

A—B

Baird (W.) 159 (8/8)
Baker Perkins Hldgs. (50p) 133 4 (7/8)
Bakers Household Stores (Leeds) (10p) 84 (3/8)
Bambers Stores (10p) 1380 40

C—D

Crouch (Derek) (20p) 174 (8/8)
Crown House (25p) 65½ (7/8)
Crowther (John Edward) (Hldgs.) 5½pcPf. 37
Crystalate (Hldgs.) (5p) 30½

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

SINGAPORE

Aug. 10	$	Aug. 10	$
Industrials		Straits Trdg	6.85
		Times Pub. Berhad	3.06
Boust'ad Co	2.11	U. Engin'ers	1.71
Boust'ad Bd	3.32	U. Ov's Bk	3.50
Bovis	0.46	Wearnes	2.48
Dunlop	4.34	Tractors	6.40/6.45
Esso	4.50	Chemical	6.60
Fraser Neve	5.90	Wilm. Jacks	1.60
Haw Par.	1.55	Rubbers	
Hume Ind	2.10	Btu. Lintang	†2.70
Inchcape	2.02	Dunlop Est.	4.00/4.12
Malay Brew.	6.70	Kempas	5.25
Malay Cemt.	‡5.40	Tins	
Met. BxSing	2.55/2.52	Austral. Am.	‡5.70
Ov's ChinBk	7.05	Berjuntai	8.15
Pan El'etric	1.50	Kampar	†3.20
Robins'n Co	2.54	Kuchai	—
Rothman	4.54	Lower Perak	—
Shell	3.00	Petaling Tin	—
Sime Darby	3.30	Supreme Co	‡1.65
Cold St'r'ge.	2.37	Tongkah Har.	4.20
SraitsSte'm	2.32		
Straits Tms (1976) Ltd.	†6.15		

† Bid. ‡ Seller.

Hudson's Bay Mng. Smltg. Cnv.A 2600 70
Kulim Malaysia US$ 0.50 ½ 46
Malaysian Plants. 53
Marra Devs. 7pcCnv.Pf. 30
NZ Forest Prods. US$ 2.23
Pac. Copper 99 ½ ½ 106
Rocla Inds 360
Russia 4½pc 1905 (French iss.) £1½. Do. 5pc 1906 (French iss.) £½
Swire Pac. A 81
Swire Props. 35½
Teledyne Inc. £70½
Woodside Pets. 57½ 5 9. Do. (25c pd.) 45

AUGUST 7

Ashton Mng. 63
Bougainville Copper 1140
BP Canada £10½
Comalco A 2050
Dorman Long (S.A.) 300
Federale Mynbou Beperk 370
Hong Kong Wharf 360
Imp. Oil Canada A £13¼
Jardine Matheson 100½ 14½
Johnson Controls £13½
Jones Grp. £18½
Metal Explrn 335 40
Ocean Resources 100 90
Pac. Copper 970 840 ½ 101 98½
Swire Pac. A 79½ 90 5
Tri Continental 833 45
Union Miniere 1-10thShs. £9½
IBA £37½
Woodside Pets. (25c pd.) 41

AUGUST 6

Anglo Utd. 2080
Australian Oil Gas 45
Cent. Pac. Mins. 710
Chieftain Dev US$ 23½
Jardine Matheson 116
Nederland Bk SA 143
Nortin Con. £8½
Nthn. Mng. US$ 1.39. Do. (pt. pd.) US$ 1.22. Do. Opts US$ 0.79
Oakwood Pets. US$59½
Oil Min 350
Pac. Copper 96½ ½ 99 ½ 100 1
Power Con. Canada 5300
Salcast Explrn 340
Swire Props. 35½
Unilever NV (Fl 20) US$ 65¾
Woodside Pets. 550

AUGUST 3

Bougainville Copper 1080 12 11
CSR New 1270 5
Conzinc Rio Tinto 156
EZ Inds. 1060
Gen. Foods £14½
Jardine Matheson 114
Kulim Malaysia 44½
Malayan Plants. 52¼ 3
Otter Explrn 460 6
Pac. Copper 85 93 ½ 2 4 5 8 5
Peko Wallsend 294

Penn-Dixie Inds. 235
Poseidon 520
Swire Pac. A 79
Swire Props. 35
Woodside Pets. 56

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

AUGUST 9

Applied Computer Techniques (Hldgs.) 198 5
Baker (John) (Insulation) Pfd. 208 3
Cambridge Instrument (10p) 2½
Channel Hotels and Props. 15 17 16
Clyde Petroleum 218 16 14 12 10 9 8
Cuxsit 7pcPf. 39
Dawson (William) Hldgs. 90
Deltenne (Hldgs.) 12
Dimbula Valley (Ceylon) Tea 160
Edinburgh Secs. 60½ 79½
GPA Prop. Tst. 16½ 16
Heavitree Brewery 810
IAS Cargo Airlines 120
Le Riches Stores 210 5 200
Maddock 7
Manchester Utd. FC 210
Merrydown Wine 35
Mining Inv. 111
Nationwide Leisure 7½
New Court Natural Resources 34 31
Queen Street Warehouse (Hldgs.) 5½
Sthrn. Newspapers 148 4
Utd. Friendly Insurance B 90

AUGUST 8

Aran Energy 130
Aston Villa FC (1 vote) £19
BET Omnibus Services 160 58
Cambridge Instrument (1p) 2¼ 1½
Carlton Real Ests. (6p) 25½
Channel Hotels and Props. 18
Clairmace 21 20½
Clyde Petroleum 219 18 17 16 14
Comml. Bk. Wales 85
Deltight Inds. New (f. pd.) 69
Dimbula Valley (Ceylon) Tea 158
Eldridge Pope A 312
Glass Mew 170
GRA Prop. Tst. 15¼ 16 15¼
Irish Press 250
Jennings Bros. 99
Kellock Hldgs. 58
Kellock Hldgs Cnv.Ln. (2nd sers.) 87
Kunick Hldgs. 19
London Tst. 19½
Merrydown Wine 36 7
Mining Inv. 112 10
NMW Computers 252
New Court Natural Resources 34 33 30
North Sea Assets £10
Norton Villiers Triumph 3½
PMPA Insurance 42
Panawatte Hldgs. 3¼

Queen St. Warehouse (Hldgs.) 5¼ 5
Scitrust Ln. 1979-80 £89
Tea Con. 24
Uregate Invs. 170 67

AUGUST 7

Aran Energy 135 2 25 40
Booth (Charles) 22
Buenos Ayres Lacroze Tramways 3pcDb. £02
Cambridge Instrument (1p) 2½
Clyde Petroleum 218 16 14 12 10 9 8 194
Comml. Bk. Wales 85
Deltight Inds. 67
Deltight Inds. New (f. pd.) 57
Fairburgh Secs. 79 3
Gale (George) 515
Gibbs Mew 167
GRA Prop. Tst. 17 16½ ¼ 16 15½
IAS Cargo Airlines 119 8
Jennings Bros. 99
Le Riches Stores 210
Maddock 7 6
Maddock 7½pcLn. £36 3
Manchester Utd. FC 200
Mining Inv. 118 13 12 11 10
Nationwide Leisure 7 6½
New Court Natural Resources 32 1
Panawatte Hldgs. 3
Queen St. Warehouse (Hldgs.) 5¼ ½
Tea Con. 28 7 6
Uregate Invs. 172 70
Williams (John) (Cardiff) 5pcPf. 250

AUGUST 6

Applied Computer Techniques (Hldgs.) 202 198
Aran Energy 153
Baker (John) (Insulation) Pfd. 207
Cambridge Instrument (1p) 2½
Carlton Real Ests. (10p) 25
Channel Hotels and Props. 18
Clyde Petroleum 214 12 10
Deltight Inds. 61 60½
Deltight Inds. New (f. pd.) 62½ 2
Douglas Gas Light 285
Eastbourne Waterworks 48
Eldridge Pope A 312
Grampian TV 48 6
GRA Prop. Tst. 16½ ¼ 18
Home Brewery 313 10
Kellock Hldgs. Cnv.Ln. (1st sers.) 85
Manchester Utd. FC 212
Merrydown Wine 30
Mid Kent Water 2 5pcPf. £26
Mining Inv. Con. 115
Morton (Geo.) 5pcPf. 28
Nationwide Leisure 6½
New Court Natural Resources 32
Norton Villiers Triumph 2½
Oldham Brewery 73
Queen St. Warehouse (Hldgs.) 5¼ ½ 4½
3M UK 4½pcPf. 42 2½

AUGUST 3

Applied Computer Techniques (Hldgs.) 188
Assco. Tea Ests. Ceylon 33 2
Aston Villa FC (1 vote) £17

Baker (John) (Insulation) Pfd. 203
Buenos Ayres Lacroze Tramways 3pcDb. £02
Cambridge Instrument (1p) 2½
Cambridge Instrument (10p) 2½
Camra (Real Ale) Invs. 123
Carlton Real Ests. (10p) 26
Channel Hotels and Props. 18
Clairmace 22½
Clyde Petroleum 208
Comml. Bk. Wales 85
Dart Valley Light Rly 48
Deltenne (Hldgs.) 12½ 12 11½
Edinburgh Secs. 78½ 7½ 5½ 4½
Eldridge Pope A 315
GRA Prop. Tst. 17 16½
IAS Cargo Airlines 12
Kunick Hldgs. 20
Licensed Assurance 43
Mining Inv. Con. 115
Nationwide Leisure 7 6
New Court Natural Resources 33 4 2 1
Oldham Brewery 77
Oldham Ests. 100
Rangers FC £75
Savoy Hydro 700
Savoy Hydro 7pcPf 45
Tea Con. 26 5
Wessex Water Authority 4pc 1957 £38

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

AUGUST 9

Candecca Resources 77
Siebens (UK) 258 6 2½ 50
Viking Oil 285 80

AUGUST 8

Candecca Resources 78
Cluff Oil 525 500
Gas and Oil Acreage 200
Siebens (UK) 246 4
Viking Oil 285

AUGUST 7

Candecca Resources 81
Siebens (UK) 250 40 44
Viking Oil 290 88

AUGUST 6

CCP North Sea Associates £17
Siebens (UK) 262 54 50
Viking Oil 300 295 90

AUGUST 3 (Nil)

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross Interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051 548 5555)	12¼	½-year	1,000	5-7
Redbridge (01-478 3020)	12	½-year	200	4-5
Redbridge (01-478 3020)	12¼	½-year	200	6-7

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Aid to Thrift	9.25	9.50	—	—
Alliance	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Anglia Hastings and Thanet	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Bradford and Bingley	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Bridgwater	8.50	8.75	10.25	10.25 4 yrs., 9.85 2½ yrs., 9.50 2 yrs.
Bristol and West	8.50	8.75	10.00	—
Bristol Economic	8.50	8.75	10.00	9.00 3 months' notice
Britannia	8.25	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Burnley	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Cardiff	8.50	9.25	10.25	—
Catholic	8.20	•8.90	9.80	— • 9.10 over £5,000
Chelsea	8.50	8.75	10.00	9.50 6 months' notice, £500 minimum
Cheltenham and Gloucester	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Citizens Regency	8.50	9.10	10.30	10.60 4 yrs., 10.10 3 yrs., 9.85 2 yrs.
City of London (The)	8.80	9.10	10.10	10.15 3-yr. increment share withdrwbl.
Coventry Economic	8.50	8.75	10.00	10.25 4 yrs., 9.75 3 yr., 9.25 3 mth. not.
Coventry Provident	8.50	8.75	10.75	10.25 4 yrs., 10.00 3 yrs., 9.50 2 yrs.
Derbyshire	8.50	8.75	10.00	9.35 3 months' notice
Ealing and Acton	8.50	9.25	—	9.90 2 yrs., £2,000 min.
Gateway	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Greenwich	8.45	8.85	10.00	10.85 5 yrs., 10.35 4 yrs., 9.85 3 yrs.
Guardian	8.50	9.00	—	10.00 3 mths., 10.35 6 mth., £1,000 min.
Halifax	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Heart of England	8.50	8.75	10.00	10.75 5 yrs., 9.25 3 mths. not.
Hearts of Oak and Enfield	7.75	8.00	10.50	10.25 4 yrs., 10.00 3 yrs., 9.75 2 yrs.
Hendon	8.75	9.25	—	9.75 6 months, minimum £2,000
Huddersfield and Bradford	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Lambeth	8.50	9.00	10.50	9.80 3 mths. not. £250-£10,000
Leamington Spa	8.60	8.85	11.93	10.80 5 yrs., 10.55 4 yrs., 10.15 3 yrs.
Leeds Permanent	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Leicester	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Liverpool	7.75	8.00	9.45	9.60 4/5 yrs., 8.60 2 yrs.; min. £1,000
London Goldhawk	8.50	†9.25	†10.50	†10.00 2 years, †9.75 1 year.
Melton Mowbray	8.60	8.85	10.00	9.60 2 years
Mornington	9.00	9.50	—	—
National Counties	8.75	9.05	10.05	10.15 6 mths., 9.50 3 mths., min. £1,000
Nationwide	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Newcastle Permanent	8.75	9.25	10.05	10.75 4 yrs., 10.05 3 yrs., 9.75 2 yrs.
New Cross	9.25	9.50	—	—
Northern Rock	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Norwich	7.75	8.00	9.50	9.00 3 yrs., 8.75 2 yrs., min. £500
Paddington	8.25	9.25	10.85	10.00 6 months, 9.75 3 months
Peckham Mutual	8.00	8.75	—	—
Portman	8.50	8.75	10.00	10.25 4 yrs., 9.75 3 yrs., 9.25 3 mths.
Principality	8.50	8.75	10.00	10.25 4 yrs., 9.75 3 yrs., 9.25 2 yrs.
Property Owners	7.75	8.50	9.75	9.00 3 months' notice
Provincial	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Skipton	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Sussex Mutual	8.50	9.10	10.75	10.05 3 yrs., 9.75 2 yrs., 9.50 1 yr.
Town and Country	8.50	8.75	10.00	10.25 4 yrs., 9.75 3 yrs., 9.25 2 yrs.
Walthamstow	8.60	8.85	9.95	10.85 5 yrs., 9.85 6 months min. £500
Wessex	8.75	9.25	—	10.25 6 mths. not. WDL min. 3 yrs.
Woolwich	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.
† Includes 0.25% Centenary Bonus throughout 1979.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

CURRENCIES, MONEY and GOLD

UK MONEY MARKET

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

The Treasury bill rate fell by 0.0892 per cent at yesterday's tender to 13.2760 per cent and the minimum accepted bid rose to £96.69 against £96.66½ the previous week. Bids at that level were met as to about 95 per cent and above in full. The £200m bills on offer attracted bids of £1,112.19m and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

Day-to-day credit remained in short supply in the London money market yesterday and the authorities gave assistance on a moderate scale. This comprised small purchases of Treasury bills both directly and indirectly and also a small number of Treasury bills and local authority bills for resale at a fixed future date.

Rates in the table below are nominal in some cases

OTHER MARKETS

August 10	£	$		£ Note Rates
Argentina Peso	3112-3132	1385-1395	Austria	29-30
Australia Dollar	1.9845-1.9945	0.8830-0.8875	Belgium	67.68
Brazil Cruzeiro	59½-60½	26.45-26.90	Denmark	11.65-11.80
Finland Markka	8.63-8.64	3.8395-3.8440	France	9.40-9.50
Greek Drachma	80.778-83.714	35.95-36.80	Germany	4.00-4.10
Hong Kong Dollar	11.60-11.62½	5.1635-5.1725	Italy	1,800-1,850
Iran Rial	157.30-166.30	70-74	Japan	480-490
Kuwait Dinar (KD)	0.612-0.627	0.2755-0.2755	Netherlands	4.40-4.50
Luxembourg Frc.	65.50-65.60	29.16-29.18	Norway	11.10-11.25
Malaysia Dollar	4.8335-4.8435	2.1505-2.1550	Portugal	102-108
New Zealand Dlr.	2.2025-2.2125	0.9800-0.9845	Spain	145-148
Saudi Arab. Riyal	7.47-7.57	3.3598-3.3605	Switzerland	3.60-3.70
Singapore Dollar	4.83¼-4.84¼	2.1500-2.1545	United States	2.23-2.24½
Sth. African Rand	1.8750-1.8830	0.8330-0.8380	Yugoslavia	43-44

Rate given for Argentina is free rate.

EXCHANGES AND BULLION

Sterling continued to improve in currency markets yesterday, partly reflecting a weaker trend in the U.S. dollar. Using Bank of England figures, its trade weighted index rose to 71.5 from 71.1, having stood at 71.2 at noon and in the morning. Against the dollar, the pound opened at $2.2400 and eased to $2.2350, as central banks intervened to support the dollar. By noon, however, sterling had improved to $2.2425, and as the dollar continued to come on offer during the afternoon, it touched a high point of $2.2585. But as European centres closed so trading started to thin, and with continued support for the dollar, the pound dipped to $2.2425 before recovering on late demand to $2.2470-2.2480, a rise of 1.2 cents from Thursday.

The dollar finished at its best level for the day, although this was some way below Thursday's closing levels.

THE POUND SPOT AND FORWARD

Aug. 10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2350-2.2585	2.2470-2.2480	0.52-0.42c pm	2.51	1.70-1.60 pm	2.94
Canada	2.6170-2.6475	2.6340-2.6350	0.65-0.55c pm	2.73	1.75-1.65 pm	2.58
Nethlnd.	4.46-4.51½	4.49½-4.50½	2½-1½c pm	5.33	5½-4½ pm	4.78
Belgium	65.05-65.70	65.50-65.60	15-5c pm	3.66	45-35 pm	2.44
Denmark	11.72-11.80	11.78½-11.79½	½-2½ore dis	−1.53	3½-5½ dis	−1.53
Ireland	1.0810-1.0870	1.0850-1.0860	20-30p dis	−2.87	85-95 dis	−3.32
W. Ger.	4.05-4.11	4.09½-4.10½	3½-2½pf pm	7.88	8½-7½ pm	7.44
Portugal	109.60-110.90	110.15-110.45	50-110c dis	−8.70	120-220 dis	−6.17
Spain	147.80-149.00	148.50-148.60	205-255c dis	−18.58	530-630dis	−15.62
Italy	1,824-1,839	1,834-1,835	3½-1½ lire pm	1.64	1½ pm-½ dis	0.11
Norway	11.17-11.27	11.23½-11.24½	4½-2½ore pm	3.47	11½-9½ pm	3.55
France	9.47-9.55	9.53½-9.54½	2½-1½c pm	2.52	6-5 pm	2.31
Sweden	9.40-9.48	9.45½-9.46½	2½-1½ore pm	1.90	6½-4½ pm	2.33
Japan	480-490	485-486	3.60-3.25y pm	8.47	9.95-9.60 pm	8.05
Austria	29.70-29.90	29.85-29.90	23-13gro pm	7.23	58-48 pm	7.10
Switz.	3.67-3.71	3.69½-3.70½	4½-3½c pm	12.57	11½-10½ pm	12.30

Belgian rate is for convertible francs. Financial franc 69.05-69.15c pm. Six-month forward dollar 2.98-2.88c pm: 12-month 5.00-4.80c pm.

LONDON MONEY RATES

Aug. 10 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight	—	12-14¼	—	—	—	14¼	13½-14	[illegible]	—	—
2 days notice	—	—	14-14½	—	—	—	—	—	—	—
7 days or 7 days notice	—	14-14⅛	14¼	—	14½	14⅝	13⅞	—	—	—
One month	[illegible]	[illegible]	14-14⅛	15-14⅝	14⅝	14½	13⅞	[illegible]	[illegible]	14½
Two months	[illegible]	[illegible]	—	14½-14¼	14⅝	—	13¾	[illegible]	[illegible]	14½
Three months	[illegible]	[illegible]	14-14½	14½-13⅞	14⅝	14⅜	13⅝	[illegible]	[illegible]	14⅛
Six months	[illegible]	[illegible]	13½-13¾	13⅝-13	13⅞	—	—	—	12¾	13½
Nine months	[illegible]	[illegible]	—	13½-13¼	13½	—	—	—	—	—
One year	[illegible]	12⅝-12¾	13	12¼-12⅛	13½	—	—	—	—	—
Two years	—	—	13	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 12⅞-13 per cent; four years 12⅞-13⅛ per cent; five years 13⅛-13¼ per cent. ◆ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅞ per cent; four-month trade bills 13⅞ per cent.

Approximate selling rate for one-month Treasury bills 13⅞ per cent; two month 13¾ per cent; three-month 13⅞ per cent. Approximate rates for one-month bank bills 14⅛-14⅛ per cent; two-month 14⅛ per cent; and three-month 13⅞ per cent; one-month trade bills 14⅛ per cent; two-month 14⅛ per cent; and three-month 14 per cent.

Finance House Base Rates (published by the Finance Houses Association) 14 per cent from August 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.2760 per cent.

GOLD

	Aug. 10	Aug. 9
Gold Bullion (fine ounce)		
Close	$302-302¾ (£134.3-134.7)	$296-296¾ (£132.5-132.6)
Opening	$299¾-300½ (£133.8-134.2)	$293-293½ (£131.4-131.8)
Morning fixing	$302.80 (£135.269)	$292.75 (£131.543)
Afternoon fixing	$303.75 (£134.622)	$297.10 (£132.931)
Gold Coins, domestically		
Krugerrand	$313½-315½ (£138¼-139½)	$304-306 (£136¼-137¼)
New Sovereigns	$77¾-79¾ (£34½-35½)	$76½-78½ (£35½-36¼)
Old Sovereigns	$103½-105½ (£46-47)	$102½-104½ (£45¾-46¼)
Gold Coins, internationally		
Krugerrand	$313½-315½ (£138¼-139½)	$304-306 (£136¼-137¼)
New Sovereigns	$77¾-79¾ (£34½-35½)	$76½-78½ (£35½-36¼)
Old Sovereigns	$103½-105½ (£46-47)	$103½-104½ (£45¾-46¼)
$20 Eagles	$416-421	$422¼-424½
$10 Eagles	$234-241	$233-238
$5 Eagles	$179-185	$176-181

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.80-10.90 per cent; three months 10.90-11.00 per cent; six months 10.90-11.00 per cent; one year 10.60-10.70.

Aug. 10	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	13¾-14	10⅝-10⅞	10⅞-11½	8⅜-8⅝	[illegible]	6¼-6⅜	10¼-10⅝	10½-12½	—	[illegible]
7 days' notice	13⅞-14⅛	10¾-11	10½-11½	8⅜-8⅝	[illegible]	6⅛-6⅜	10¼-10⅝	10½-11½	10⅞-10⅞	[illegible]
Month	14⅞-14½	11⅛-11⅜	11⅛-11⅝	[illegible]	[illegible]	[illegible]	11⅛-11¾	13¼-15¼	[illegible]	[illegible]
three months	14⅜-14⅝	11⅛-11⅜	11¼-11⅝	[illegible]	[illegible]	[illegible]	11⅞-12⅛	15½-14½	11⅛-11¼	[illegible]
six months	14-14½	11⅛-11⅜	[illegible]	9⅜-9⅝	[illegible]	[illegible]	12⅞-12⅜	14¼-15¼	[illegible]	[illegible]
one year	14⅜-14⅝	[illegible]	[illegible]	9⅛-9⅜	[illegible]	6⅞-7	12⅛-12⅜	14½-15½	10¾-10⅞	6⅛-6[illegible]

Long-term Eurodollar: two years 10⅝-10⅞ per cent; three years 10⅝-10⅞ per cent; four years 10½-10¾ per cent; five years 10⅝-10⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars: two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 10	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.4982	+2.64	+1.38	±1.53
Danish Krone	7.08592	7.28391	+2.79	+1.53	±1.635
German D-Mark	2.51064	2.52779	+0.68	−0.58	±1.1325
French Franc	5.79831	5.89008	+1.58	+0.32	±1.35
Dutch Guilder	2.72077	2.77960	+2.16	+0.90	±1.5075
Irish Punt	0.662638	0.671496	+1.34	+0.08	±1.665
Italian Lira	1148.15	1133.62	−1.27	−1.27	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

CURRENCY MOVEMENTS

Aug. 10	Bank of England Index	Morgan Guaranty changes %
Sterling	71.5	−33.9
U.S. dollar	84.5	−8.9
Canadian dollar	80.3	−17.5
Austrian schilling	148.6	+19.8
Belgian franc	114.5	+13.7
Danish kroner	113.9	+2.4
Deutsche mark	152.0	+42.5
Swiss franc	197.9	+81.5
Guilder	123.6	+18.4
French franc	99.0	−7.3
Lira	55.4	−48.7
Yen	132.1	+30.7

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

CURRENCY RATES

Aug. 10	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.581320	0.617902
U.S. $	10	1.30361	1.38956
Canadian $	11½	1.52823	1.62827
Austria Sch	3¾	17.3237	18.4755
Belgian F	9	37.9676	40.4982
Danish K	9	6.83552	7.28391
D Mark	5	2.37127	2.52779
Guilder	6	2.60657	2.77960
French Fr.	9½	5.52274	5.89008
Lira	10½	Unavail.	1133.62
Yen	5¼	281.971	299.958
Nrwgn. K.	7	6.51349	6.94622
Spanish Pes.	8	86.2573	92.0729
Swedish Kr.	7	5.48168	5.84422
Swiss Fr.	1	2.14509	2.28738

EXCHANGE CROSS RATES

August 10	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lire	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.248	4.100	495.5	9.548	3.700	4.500	1835.	2.635	65.55
U.S. Dollar	0.445	1.	1.824	215.0	4.246	1.646	2.002	816.2	1.172	29.17
Deutschemark	0.244	0.548	1.	118.4	2.327	0.902	1.098	447.4	0.643	15.99
Japanese Yen 1,000	2.060	4.629	8.445	1000.	19.66	7.621	9.269	3779.	5.426	135.0
French Franc 10	1.048	2.355	4.297	508.8	10.	3.877	4.716	1922.	2.761	68.69
Swiss Franc	0.270	0.607	1.108	131.2	2.579	1.	1.216	495.8	0.712	17.73
Dutch Guilder	0.222	0.499	0.911	107.9	2.121	0.822	1.	407.7	0.585	14.57
Italian Lira 1,000	0.545	1.225	2.235	264.6	5.202	2.017	2.453	1000.	1.436	35.73
Canadian Dollar	0.380	0.853	1.556	184.3	3.622	1.404	1.708	696.3	1.	24.88
Belgian Franc 100	1.526	3.429	6.255	740.7	14.56	5.645	6.865	2799.	4.019	100.

U.K. CONVERTIBLE STOCKS 10/8/79

Statistics provided by data STREAM International

Name and description	Size (£m)	Current price	Terms*	Con-version dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.◊	Cheap(+) Dear(−) Current
Bank of Ireland 10pc Cv. 91-96	1.20	148.00	47.6	77-80	6.9	4.9	−9.9	−16 to 3	0.0	9.6	5.8	+15.7
British Land 12pc Cv. 2002	7.71	248.00	333.3	80-97	4.9	3.2	0.5	−7 to 10	0.0	92.4	37.5	+36.9
Hanson Trust 6½pc Cv. 88-93	3.38	71.00	57.1	76-80	9.5	10.9	8.0	−21 to 16	3.1	3.2	0.2	−7.9
Slough Estates 10pc Cv. 87-90	5.50	213.00	187.5	78-85	4.7		−0.4	−2 to 5	34.7	40.3	2.6	+3.0
Slough Estates 8pc Cv. 91-94	24.88	109.00	78.0	-91	7.5	7.1	22.6	18 to 31	27.4	50.6	26.1	+3.5
Thorn Electrical 5pc Cv. 90-94	4.19	120.00	29.1	75-80	4.2	2.9	−5.4	−5 to −2	9.2	4.6	−3.6	+1.8
Tozer, Kemsley 8pc Cv. 1981	0.78	89.00	153.9	74-79	9.2	15.2	−3.6	−4 to 8	0.0	0.0	0.0	+3.6
Ultramar 7pc Net R.Cv.Pfd.	14.97	1.53	0.5	76-82	6.5	3.2	−4.4	−6 to 7	22.2	21.2	−0.6	+3.7
Wilkinson Match 10pc Cv. 84-98	11.10	79.00	40.0	76-83	12.8	13.2	28.2	21 to 33	29.0	31.7	4.3	−23.9

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◊ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

Golds strong again on further rise in bullion price

Equities quietly firm at end of Account—Gilts irregular

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
July 30	Aug. 9	Aug. 10	Aug. 20
Aug. 13	Aug. 23	Aug. 24	Sept. 3
Aug. 28	Sept. 6	Sept. 7	Sept. 17

South African Gold shares were prominently better again yesterday, with the bullion price re-crossing the $300 mark to close $6 up at $302¾ an ounce; on the week the price has rallied $15. Similarly, the Gold Mines index put on 3.0 to 169.3—a recovery over the longer period of 22.6.

Elsewhere in stock markets, the week came to an uninspiring end with British Funds featured only by the 3.30 pm announcement of yet another tap stock. £1bn of partly-paid stock is to be issued by tender. Ahead of the announcement, the market in Gilts turned mixed after its recent better showing, but the Government Securities index relinquished only 0.22 to reduce its net rise on the week to 0.95.

Equities also traded with little distinction on the last day of the Account. The undertone remained sound, but Thursday's caution carried over to yesterday's opening when prices were tentatively lowered and potential buyers elected to remain on the sidelines. Values soon began to edge up, however, in the absence of sellers, and the FT Industrial Ordinary share index picked up 2.6 to end the week with a rise of 12.5 at 470.0 after having shed 0.7 in the first leg of the Account. Price changes in constituents yesterday were usually confined to a couple of pence, but GEC stood out with a rise of 10 to 390p following the full report.

Features otherwise were only to be found in secondary issues, many of which responded to favourable trading statements and to speculative buying on hopes of development. Rises outnumbered falls in FT-quoted industrials, by five-to-four, for the eighth successive day.

An eventful week in the Gilt-edged market closed with the announcement of a new short tap, £1bn of Exchequer 11¾ per cent 1984, at 97¼. Short-dated stocks which had fluctuated fairly narrowly in a reasonably brisk trade trended firmer in the late dealings following the announcement of the tap and final quotations were around ⅛ higher on balance. Already showing losses of ¼, long-dated issues tried to rally in the late trading but failed and reverted to levels ruling at the official close.

Investment currency rates were traded higher for the fifth consecutive trading day and another good institutional interest helped the premium close ¾ harder on the day and 3¾ points higher on the week at 28 per cent. Yesterday's SE conversion factor was 0.9037 (0.9122).

Business in Traded options was well distributed among the listed stocks, although the total of completed contracts amounted only to 413. The week's daily average was 347. Shell remained in demand, recording 92 trades, while Courtaulds, 82, Marks and Spencer, 60, and EMI, 56, were also lively.

Buoyed by the sharp increase in first-half profits and the accompanying bullish remarks concerning second-half prospects, Goode Durrant and Murray rose 3 to 23p in an otherwise lacklustre banking sector. Publicity given to a broker's circular helped Midland improve 4 to 380p and Natwest harden 2 to 338p.

Composite Insurances traded quietly firm ahead of the next Account which takes in the interim dividend season. General Accident, which report next Wednesday, hardened 2 to 218p, while Royals, figures due a day later, rose 4 to 347p. Elsewhere, C. T. Bowring edged forward a penny to 115p following Press comment but Stenhouse relinquished 2 to 78p; the latter's interim results are due on August 23.

Leading Breweries ended the Account on a steady note, although a little selling was evident. Whitbread remained firm, adding a penny to 147p for a week's gain of 11. Belhaven, unsettled by publicity given to the recent boardroom wranglings, became weak again and gave up 3 at 34p. Distilleries generally traded within narrow limits, closing around the overnight levels, although Irish proved an exception, rising 5 to 85p on thoughts that recent selling was overdone.

Leading Buildings held quietly steady, Blue Circle and BPB hardening 2 apiece to 276p and 306p respectively; the latter is to be quoted ex the one-for-one scrip issue on Monday. Taylor Woodrow improved 4 to 362p and Redland added 2 more to 184p. Elsewhere, speculative demand lifted Manders 14 to 165p in a limited market, while buying ahead of the interim figures due on August 23 helped William Whittingham firm 5 to 83p. Investment support lifted Bryant 4 to 58p.

A couple of pence easier at the outset, ICI picked up and closed 2 firmer on balance at 337p. Elsewhere in Chemicals, Press suggestions of possible U.S. takeovers stimulated interest in Brent which firmed 5 to 242p and Allied Colloids, up 3 to 115p.

Stylo good again

Further comment on the company's net asset value attracted renewed interest in Stylo Shoes and the buying, which continued into late inter-office dealings, resulted in a rise of 22 for a rise on the week of 30—to a 1979 peak of 226p.

Leading Stores brought the Account to a quietly firm close. British Home put on 5 to 270p and Marks and Spencer, 119p, and House of Fraser, 170p, gained 2 apiece. Woolworth hardened a fraction to 76½p ahead of next Wednesday's interim results. Elsewhere, renewed investment buying helped Harris Queensway improve 4 more to 272p while, still on bid hopes, Peters hardened a penny more making a gain on the week of 11 to 78p.

Helped by the chairman's annual statement, GEC revived with a rise of 10 to 390p. Elsewhere in the Electrical leaders, EMI rallied 3 to 95p; the company announced yesterday that it does not intend to proceed with its original intention to occupy the EMI Centre scheduled for completion in the autumn of 1980 due to changed business conditions, but that instructions had been given by EMI to let the premises. Occasional support lifted Thorn 6 to 442p, while Wholesale Fittings gained 8 to 363p in response to the good preliminary results.

With the exception of John Brown, which eased 4 to 415p, leading Engineers traded on a slightly firmer bias. Elsewhere, late demand on renewed bid hopes left Averys 10 to the good at 258p. Further consideration of the statement on the outlook which accompanied the announcement of halved annual profits prompted a marked turnround in Hallite, up 7 at 95p, but lower interim results left Wolf Tools 2 cheaper at 76p. Whitehouse firmed 10 to 190p in a restricted market, while scattered demand was reflected in rise of 4 and 2 respectively in C. and W. Walker and RHP, both to 62p.

Talk of a broker's bullish circular helped Food Retailers end the Account on a firm note. J. Sainsbury, 326p, and Associated Dairies, 286p, added 3 apiece, while Kwik Save ended a penny dearer at 129p, after 126p, and Amos Hinton firmed 4 to 80p. Continuing to reflect the chairman's optimism about the prospects, George Bassett rose 4 to 98p, but Barker and Dobson, still unsettled by the capital reduction proposals, shed a ½ more for a three-day fall of 3 to 17½p.

Channel Tunnel good

Miscellaneous industrial leaders plotted an irregular course in thin trading. Firm earlier in the week following the relapse in sterling, Metal Box and Reckitt and Colman reacted 4 apiece to 270p and 210p respectively. Glaxo cheapened 3 to a 1979 low of 430p but Pilkington improved 3 to 305p and Beecham hardened 2 to 138p. Elsewhere, Channel Tunnel revived with a speculative rise of 15 to 125p following a report that the Government has commissioned a survey to evaluate the prospects of a "chunnel" project, while E. Fogarty advanced 11 more to 335p as buyers anticipated early news of the scrip-issue proposals first outlined at the end of May. Crest Nicholson improved 4 to 102p on an investment recommendation and a resurgence of speculative buying on bid hopes lifted Hensher A 4 to 56p. Grimshawe were wanted at 62p, up 5. Comment on the second-half profits rise left Longton Transport 3 up at 86p but profit-taking ahead of Monday's preliminary results brought about a reaction of 2 to 172p in AGB Research. On the bid situation, Bestobell eased 6 to 220p as did the bidders BTR to 331p.

Vauxhall dealers Adams and Gibbon eased a couple of pence to 72p immediately after the interim results were announced, but sound support at the lower level and sporadic bursts of buying lifted the shares to 83p for a net gain of 11½p. Elsewhere in quiet Motors, Heron, 50p, and Lex Service, 98p, added apiece. Lotus, on the other hand closed a like amount off at 34p.

Mills and Allen attracted a good interest and rose 20 to 270p ahead of results which are expected during the next Account.

Leading Properties steadily improved, Land Securities firming 5 to 305p and MEPC 4 to 194p. Reflecting an investment recommendation, Town and City put on 1¼ to 22¾p. Consideration of the annual income and property revaluation lifted Estates Property Investment 6 to 148p, while demand ahead of next Tuesday's annual results left McKay Securities 6 to the good at 133p in a limited market. Other notable firm spots included Town Centre, 84p, Clarke Nickolls, 123p, and Mountview Estates, 127p, all of which added 4, while Bradford 452p, and United Real, 425p, improved 6 and 7 respectively.

Tricentrol firm

Interest in the oil sector remained at a fairly low ebb, but Tricentrol provided a good feature at 23p, up 13, on further consideration of the company's royalty deal with the Government. Among other secondary issues, scattered buying was seen in Lasmo, 5 to the good at 240p, and Oil Exploration, 4 up at 254p, while Siebens (UK) rallied afresh to close 10 to the good at 260p. In the leaders, BP fluctuated narrowly before closing 5 down at 1190p, but Shell, ahead of next Monday's dividend payment of 27p, found support at 358p, up 8.

In Overseas Traders, William Jacks added 2 to 35p following the interim statement, while Boustead, 48p, hardened a penny after Press comment.

Still reflecting the recent sale of its ship MV Tyne Bridge, Hunting Gibson advanced 10 further to 297p. Elsewhere, Furness Withy came under fresh selling pressure and gave up 6 to 252p, but P & O Deferred hardened 1¼ to 102½p and J. Fisher 5 to 192p.

Tootal firmed a fraction to 39½p on the expected news that the Van Allan subsidiary has been sold to UDS for a total consideration of around £16.5m; UDS added a penny to 98p. Elsewhere in selectively higher Textiles Gaskell (Bacup) improved 9 to 87p on the increased interim profits and capital proposals, while buying in a thin market lifted Tern-Consulate 7 to 77p. Scottish, English and European were again firm, rising 3 to 69p; the annual statement is expected on Thursday. Carrington Viyella eased a fraction to 25½p in front of Wednesday's half-timer.

Good week for Golds

South African Golds ended a good week on a firm note as the bullion price continued its recent recovery. The latter breached the $300 an ounce level again to close $6 higher at $302.375 an ounce, up $15 on the week.

Golds moved ahead for the fifth successive day following renewed overseas buying which lifted the Gold Mines index a further 3.0 to 169.3 — its best level for nearly a month. The ex-premium index advanced 1.3 to 153.0, or 17.9 up over the past five days.

Heavyweights registered gains to ¾ as in Hartebeest, £15, West Driefontein, £23¼, Free State Geduld, £13¾, and Western Holdings, £17.

South African Financials were equally firm. "Amgold" advanced a further ¾ to £19¾ — £2¾ higher on the week — following the sharply increased interim dividend, while Anglo American added 4 more to 350p.

London Financials held steady despite the lower equity market. Charter were a lone weak spot with a decline of 4 at 133p following the annual meeting.

Australians gained ground throughout the week reflecting the buoyancy of domestic markets. Yesterday the Rundle oil-shale partners Central Pacific, 750p, and Southern Pacific, 295p, were outstanding with respective gains of 90 and 30, following persistent London and overseas buying on rumours that financing had been arranged for the Rundle deposit.

Elsewhere, Pacific Copper rose 4 more to 114p, up 18 on the week, in response to continued speculative buying.

FINANCIAL TIMES STOCK INDICES

	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 3	A year ago
Government Secs.	73.74	73.96	73.55	73.11	72.70	72.29	71.28
Fixed Interest	74.48	74.54	74.12	73.75	73.64	73.70	72.89
Industrial	470.0	467.4	473.7	466.6	459.6	457.5	514.8
Gold Mines	169.3	166.3	157.9	149.8	148.4	146.7	203.0
Gold Mines (Ex-$ pm)	153.0	151.7	146.7	139.3	137.6	135.1	151.1
Ord. Div. Yield	6.89	6.91	6.82	6.91	7.01	7.05	5.26
Earnings, Yld. % (full)	17.38	17.52	17.31	17.52	17.77	17.80	15.87
P/E Ratio (net) (*)	7.25	7.17	7.25	7.16	7.06	7.02	8.37
Total bargains	18,850	18,282	18,565	15,944	13,477	13,999	—
Equity turnover £m	—	87.25	91.21	76.87	45.53	62.98	98.79
Equity bargains total	—	13,651	11,958	10,627	8,820	9,419	23,064

10 am 466.7. 11 am 467.3. Noon 467.7. 1 pm 468.5.
2 pm 468.7. 3 pm 468.7.
Latest Index 01-246 8026.
*Nil=6.96.
Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ premium index started June, 1972. SE Activity July-Dec. 1942. † Corrected.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.21 (4/5)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	66.03 (15/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	[illegible] (4/5)	446.1 (12/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	208.4 (8/6)	129.9 (17/4)	442.5 (22/5/75)	43.5 (26/10/71)
Gold Mines Ex $pm)	169.5 (5/8)	95.2 (2/11)	337.1 (3/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

	Aug. 10	Aug. 9
—Daily		
Gilt Edged	160.2	205.4
Industrials	124.0	147.1
Speculative	22.2	22.5
Totals	87.7	103.7
5-d'y Av'r'ge		
Gilt Edged	164.2	156.5
Industrials	127.3	123.9
Speculative	23.6	23.7
Totals	88.4	85.2

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (25)

BRITISH FUNDS (1)
Electric 3½pc '76-79
BUILDINGS (1)
Westbrick Products
STORES (2)
Fairdale Textiles Do. A / Peters Stores
ELECTRICALS (1)
Wholesale Fittings
FOODS (1)
Hillards
INDUSTRIALS (2)
N.C.R. 4pc '93-98 / Powell (A.)
PAPER (1)
Mills & Allen
PROPERTY (10)
Allied London / Gt. Portland Ests.
Capital & Counties / Lynton
Centrovincial Est. / McKay Securities
Clarke Nicholls / Town Centre
Estates Prop. Inv. / Town & City
SHIPPING (1)
Hunting Gibson
SHOES (2)
Stead & Simpson A / Stylo
TEXTILES (1)
Leigh Mills
TRUSTS (1)
Graham House

NEW LOWS (9)

AMERICANS (1)
Singer
BUILDINGS (1)
Streeters Godalming
ENGINEERING (1)
Wolf Electric Tools
INDUSTRIALS (3)
Dundonian / Hill (Charles)
Glaxo
PAPER (1)
Bemrose
OVERSEAS TRADERS (1)
Steel Brothers
MINES (1)
South Crofty

LONDON TRADED OPTIONS

Option	Ex'rc'se price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	1100	106	10	160	—	185	—	1188p
BP	1200	60	5	100	—	125	—	"
BP	1300	14	2	56	—	80	—	"
Cons. Gold	260	2½	—	6	4	—	—	231p
Courtaulds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Totals			[illegible]		[illegible]		[illegible]	
		August		November		February		
Boots	180	14	17	23	—	28	—	190p
Boots	200	1½	—	11	10	16	—	"
EMI	90	6	—	12	—	17	2	94p
EMI	100	1	16	7	2	12	5	"
EMI	120	¼	5	3	—	5	29	"
Imperial Gp.	80	15	2	16	—	—	—	94p
Imperial Gp.	90	5½	2	8½	—	11	—	"
Totals			39		12		36	

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
Shell Transport	25p	13	358	+ 8	402	278
ICI	£1	9	337	+ 2	415	314
GEC	25p	8	390	+10	456	311
Town & City Pps.	10p	8	22¾	+ 1¼	22¾	14
BP	£1	7	1,190	− 5	1,295	885
Tricentrol	25p	7	236	+13	254	148
Beecham 'New'	25p	6	139	+ 2	139	130½
Gt. Portland Ests.	50p	6	334	+ 2	334	220
Marks & Spencer	25p	6	119	+ 2	134	83
Midland Bank	£1	6	380	+ 4	455	340
Royal Insurance	25p	6	347	+ 4	443	320
Turner & Newall	£1	6	127	—	176	114
Allied Breweries	25p	5	91	− 1	102	80
NatWest Bank	£1	5	338	+ 2	406	278
Prudential	25p	5	158	+ 3	193	134

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163 (1) (e) and reproduced today in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979 high	1979 low
Shell Transport	25p	54	358	+ 8	402	278
ICI	£1	53	337	+14	415	314
BP	£1	49	1,190	+15	1,295	885
GEC	25p	48	390	+32	456	311
NatWest Bank	£1	39	338	+10	406	278
Barclays Bank	£1	37	445	+13	514	360
Distillers	50p	34	236	+ 1	259	198
BAT Inds.	25p	33	286	+ 9	362	255
Unilever	25p	33	508	+ 4	680	482
Marks & Spencer	25p	32	119	+ 8	134	83
Ultramar	25p	32	306	+14	320	197
Courtaulds	25p	31	85	+ 1	122	82
Imperial Group	25p	31	94	+ 3	108	82
RTZ	25p	31	280	+ 8	363	226
Beecham 'New'	25p	30	139	+ 6	139	130½

BASE LENDING RATES

A.B.N. Bank	14 %	■ Hambros Bank	14 %
Allied Irish Bank Ltd.	14 %	■ Hill Samuel	§14 %
Amro Bank	14 %	C. Hoare & Co.	†14 %
American Express Bk.	14 %	Julian S. Hodge	15 %
Henry Ansbacher	14 %	Hongkong & Shanghai	14 %
A P Bank Ltd.	14 %	Industrial Bk. of Scot.	14½%
Associates Cap. Corp.	14 %	Keyser Ullmann	14 %
Banco de Bilbao	14 %	Knowsley & Co. Ltd.	15½%
Bank of Credit & Cmce.	14 %	Lloyds Bank	14 %
Bank of Cyprus	14 %	London Mercantile	14 %
Bank of N.S.W.	14 %	Edward Manson & Co.	15 %
Banque Belge Ltd.	14 %	Midland Bank	14 %
Banque du Rhone et de la Tamise S.A.	14½%	■ Samuel Montagu	14 %
Barclays Bank	14 %	■ Morgan Grenfell	14 %
Bremar Holdings Ltd.	15 %	National Westminster	14 %
Brit. Bank of Mid East	14 %	Norwich General Trust	14 %
■ Brown Shipley	14 %	P. S. Refson & Co.	14 %
Canada Perm't Trust	14 %	Rossminster	14 %
Cayzer Ltd.	14 %	Ryl. Bk. Canada (Ldn.)	14 %
Cedar Holdings	14 %	Schlesinger Limited	14 %
■ Charterhouse Japhet	14 %	E. S. Schwab	15 %
Choulartons	14 %	Security Trust Co. Ltd.	15 %
C. E. Coates	14 %	Shenley Trust	16 %
Consolidated Credits	14 %	Standard Chartered	14 %
Co-operative Bank	*14 %	Trade Dev. Bank	14 %
Corinthian Secs.	14 %	Trustee Savings Bank	14 %
Credit Lyonnais	14 %	Twentieth Century Bk.	15 %
The Cyprus Popular Bk.	14 %	United Bank of Kuwait	14 %
Duncan Lawrie	14 %	Whiteaway Laidlaw	14½%
Eagil Trust	14 %	Williams & Glyn's	14 %
English Transcont.	14 %	Yorkshire Bank	14 %
First Nat. Fin. Corp.	15½%		
First Nat. Secs. Ltd.	15½%		
■ Antony Gibbs	14 %		
Greyhound Guaranty	14 %		
Grindlays Bank	‡14 %		
■ Guinness Mahon	14 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%. 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12% and over £25,000 12¼%.
‡ Call deposits over £1,000 11½%.
§ Demand deposits 11½%.

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 6	Aug. 17	Nov. 1	Nov. 12
Aug. 20	Aug. 31	Nov. 15	Nov. 26
Sep. 3	Sep. 14	Nov. 29	Dec. 17

For rate indications see end of Share Information Service

Call options were dealt in EMI, Grimshawe, Walker and Homer, Maple, KCA, Mills and Allen Warrants, Town and City, MFI, Messina, Westminster Props, Silvermines, Brown and Jackson, United City Merchants, UDT, Suter and Grand Met. A put was arranged in EMI, while doubles were done in EMI, BSR, B & Q, Mills and Allen Warrants and UDT.

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Plantations	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Others	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Totals	507	437	1,497	3,737	1,900	[illegible]

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	F.P.	[illegible]	76	60	Arrow Chemicals	71		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Barlow Hldgs.	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
80½	F.P.	[illegible]	[illegible]	[illegible]	Fairline Boats	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
160	F.P.	[illegible]	[illegible]	[illegible]	Mercantile House	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Metroy Did.	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	St. George Assets 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
160	F.P.	[illegible]	[illegible]	[illegible]	Standard Tel.& Cables	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
¶91	F.P.	[illegible]	[illegible]	[illegible]	Aurora 8% Conv. Cum. Pref.	[illegible]	[illegible]
100	F.P.	[illegible]	[illegible]	[illegible]	Automated Security	[illegible]	[illegible]
¶96½	£10	[illegible]	[illegible]	[illegible]	Essex Water 8% Red Prf. 1984	[illegible]	[illegible]
100	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Lonrho [illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Do. [illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
97	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
100p	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
¶98	F.P.	[illegible]	[illegible]	[illegible]	Sund. & S. Shields Water 8% 1985	[illegible]	[illegible]
¶98	£10	[illegible]	[illegible]	[illegible]	Wrexham Water 8% 1984	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −
14	Nil	[illegible]	[illegible]	[illegible]	Abwood Machine Tools	[illegible]	[illegible]
25	Nil	[illegible]	[illegible]	[illegible]	Bank & Commercial	[illegible]	[illegible]
A$2	Nil	[illegible]	[illegible]	[illegible]	Bank of New South Wales	[illegible]	[illegible]
36	F.P.	[illegible]	[illegible]	[illegible]	Causton Sir J.	[illegible]	[illegible]
65	F.P.	[illegible]	[illegible]	[illegible]	Control Securities	[illegible]	[illegible]
62½	F.P.	[illegible]	[illegible]	[illegible]	Combined English Stores	[illegible]	[illegible]
30	F.P.	[illegible]	[illegible]	[illegible]	Century Oils	[illegible]	[illegible]
25	F.P.	[illegible]	[illegible]	[illegible]	Edinburgh & Gen.	[illegible]	[illegible]
195	F.P.	[illegible]	[illegible]	[illegible]	Elliott (B.)	[illegible]	[illegible]
25	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
60	F.P.	[illegible]	[illegible]	[illegible]	Goldberg (A.)	[illegible]	[illegible]
126	F.P.	[illegible]	[illegible]	[illegible]	Grand Metropolitan	[illegible]	[illegible]
50	F.P.	[illegible]	[illegible]	[illegible]	Hanson Trust	[illegible]	[illegible]
47	F.P.	[illegible]	[illegible]	[illegible]	Hargreaves	[illegible]	[illegible]
115	Nil	[illegible]	[illegible]	[illegible]	Hay's Wharf	[illegible]	[illegible]
88	F.P.	[illegible]	[illegible]	[illegible]	Highland Dist.	[illegible]	[illegible]
155	F.P.	[illegible]	[illegible]	[illegible]	Holt Lloyd Intl.	[illegible]	[illegible]
110	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
80	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25cts	Nil	[illegible]	[illegible]	[illegible]	London Inv. Trust	[illegible]	[illegible]
60	F.P.	[illegible]	[illegible]	[illegible]	Overstone	[illegible]	[illegible]
108	F.P.	[illegible]	[illegible]	[illegible]	Sound Diffusion	[illegible]	[illegible]
57	F.P.	[illegible]	[illegible]	[illegible]	Stylo Shoes	[illegible]	[illegible]
87	F.P.	[illegible]	[illegible]	[illegible]	W.G.I.	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Aug. 10, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., Aug. 9 Index No.	Wed., Aug. 8 Index No.	Tues., Aug. 7 Index No.	Mon., Aug. 6 Index No.	Year ago (approx.) Index No.	1979 High	1979 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (172)	244.66	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (27)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (28)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Engineering Contractors (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (74)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11 CONSUMER GOODS (DURABLE) (52)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12 Lt. Electronics, Radio, TV (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13 Household Goods (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14 Motors and Distributors (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GOODS (NON-DURABLE) (171)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Breweries (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23 Wines and Spirits (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24 Entertainment, Catering (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (41)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37 Toys and Games (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (99)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Pharmaceutical Products (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Office Equipment (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Shipping (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
47 Miscellaneous (58)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (494)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (116)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64 Hire Purchase (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance Brokers (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (43)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Miscellaneous (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (50)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (750)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

British Government	Fri., Aug. 10	Day's change %	xd adj. today	xd adj. 1979 to date
1 Under 5 years	[illegible]	[illegible]	[illegible]	[illegible]
2 5-15 years	[illegible]	[illegible]	[illegible]	[illegible]
3 Over 15 years	[illegible]	[illegible]	[illegible]	[illegible]
4 Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]
5 All stocks	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST YIELDS

British Govt. Av. Gross Red.		Fri., Aug. 10	Thurs., Aug. 9	Year ago (approx.)	1979 Highs	1979 Lows
1 Low Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Medium Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 High Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Irredeemables		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Fri., Aug. 10 Index No.	Yield %	Thur. Aug. 9	Wed. Aug. 8	Tues. Aug. 7	Mon. Aug. 6	Fri. Aug. 3	Thur. Aug. 2	Year ago (approx.)	1979 Highs	1979 Lows	Since Compilation Highs	Since Compilation Lows
15 20-yr. Red. Deb. & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16 Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17 Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity Section or Group	Base Date	Base Value	Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	[illegible]	[illegible]	Miscellaneous Financial	[illegible]	[illegible]
Other Groups	[illegible]	[illegible]	Food Manufacturing	[illegible]	[illegible]
Overseas Traders	[illegible]	[illegible]	Food Retailing	[illegible]	[illegible]
Engineering Contractors	[illegible]	[illegible]	Insurance Brokers	[illegible]	[illegible]
Mechanical Engineering	[illegible]	[illegible]	Mining Finance	[illegible]	[illegible]
Wines and Spirits	[illegible]	[illegible]	All Other	[illegible]	[illegible]
Toys and Games	[illegible]	[illegible]	British Government	[illegible]	[illegible]
Office Equipment	[illegible]	[illegible]	Debs. & Loans	[illegible]	[illegible]
Industrial Group	[illegible]	[illegible]			

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 13p, by post 22p. A fortnightly record of groups and subsection indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4, at £60 per copy.

CONSTITUENT CHANGE: Fraser Ansbacher has been replaced by Ansbacher (Henry) Holdings (Merchant Banks).

هكذا من الأصل

AUTHORISED UNIT TRUSTS

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

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BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

High	Low	Stock	Price	+ or -	Int.	Red.
107	100	Do. 14pc '79	101	.....	14.24	—
108¼	98¼	Do. 14pc '83	103¾	+½	13.50	12.82
86½	77½	ICFC 5½pc Deb. '80-82	85½	.....	6.62	12.00
85	71½	Do. 6¾pc Db. '81-84	78½	.....	8.13	12.40
99	84½	Do. 10¼pc Uns.Ln. '86	92	.....	11.56	12.60
99	84½	Do. 11pc Uns.Ln. '88	94	.....	11.86	12.20
101½	84	Do. 11¾pc Uns.Ln. '90	96½	+½	12.35	12.60
72½	57	Do. 7¼pc A Deb. '89-92	66½	−½	11.18	12.90
69	53½	Do. 7¼pc A Db. '91-94	66½	.....	11.43	12.80
81½	64½	Do. 9pc 'A' '91-94	79	.....	11.95	12.70
78½	62½	Do. 8⅞pc Ln. '92-97	72½xd	.....	12.24	12.70
102	95½	Do. 12pc Uns. Ln. 1992	102	+¼	12.77	12.90

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 10½% (based on US$2.2542 per £)
Conversion factor 0.9027 (0.9122)

CANADIANS

S.E. List Premium 10½% (based on $2.6423 per £)

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	+ or -	Div. Net	Cvr	Y'ld Gr's	P/E
£17¾	930	Com'zbk DM 10	£10¼	.....	Q26.6%	—	6.6	—
£18½	£10¼	C'hgn.Hbk.Kr100	£10¼	.....	Q12%	—	11.1	—
41	29	Corinthian 10p	35	.....	1.05	5.9	4.3	4.0
£24¼	£15	Cred. France F75	£17½	.....	Q9.87%	—	3.7	—
16	12	Dawes (G. R.)	12	.....	—	—	—	—
£121	£64	Deutsche Bank DM50	£67½	.....	Q28.12%	—	5.1	—
90	63	F. C. Finance	63	.....	2.2	4.9	5.0	5.8
8¾	5¼	First Nat. 10p	6	.....	—	—	—	0.4
4	2	Do. Wrrts. 75-83	2½	.....	—	—	—	—
266	178	Gerrard Natnl.	258	+4	9.12	—	5.0	—
62	39	Gibbs (A.)	52	.....	2.2	—	6.0	—
270	217	Gillett Bros. £1	224xd	.....	†16.95	—	10.8	—

BANKS & HP—Continued

Hire Purchase, etc.

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INSURANCE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

FINANCE, LAND—Continued

MINES—Continued

AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
14	9	Acmex	12	......	—	—	—
14	4	ACM 20c	9	......	—	—	—
171	100	Bougainville 50 Toea	119	+3	Q15c	1.0	6.4
140	84	BH South 50c	105	−1	—	—	—
860	340	Central Pacific	750	+90	—	—	—
318	170	Conzinc Riotinto 50c	196	+2	NQ10c	2.0	2.6
36	16	Cultus Pacific N.L.	18	+1	—	—	—
21½	11	Endeavour 20c	14	......	—	—	—
98	62	G.M. Kalgoorlie $1	84	+2	Z03c	—	1.8
42	23	Haoma Gold N.L.	29	−1	—	—	—
210	148	Hamptn Areas 5p	200	+15	3.5	2.8	2.5
71½	25	Metals Ex. 50c	43	......	—	—	—
275	168	M.I.M. Hldgs. 50c	197	−1	†Q5c	1.7	2.4
15	15	Minefields Expl.	15	......	—	—	—
74	30	Mount Lyell 25c	42	+2	—	—	—
44	14	Newmetal 20c	15	......	—	—	—
141	91	North B. Hill 50c	105	......	†Q8c	1.3	3.9
22	11	Nth. Kalgurli	13	+1	—	—	—
40	22	Nth. West Mining	30	......	—	—	—
137	76	Oakbridge SA1	81	+1	Q12c	1.9	7.8
38	22	Oilmin N. L.	38	......	—	—	—
120	58	Pacific Copper	114	+4	—	—	—
£10¾	625	Pancont'l 25c	762	−12	—	—	—
25¾	15½	Paringa M&Ex.5p	23	+2½	—	—	—
510	268	Peko-Wallsend 50c	312	+6	Q15c	3.5	2.5
340	145	Southern Pacific	295	+30	—	—	—
16	12	West Coast 25c	13	......	—	—	—
188	121	Westn. Mining 50c	153	+1	†Q3c	0.7	1.0
11	9	Westmex	10	......	—	—	—
65	50	Whim Creek 20c	55	......	—	—	—
25	13	York Resources	13	......	—	—	—

TINS

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	27	......	2.81	1.3	14.9
435	265	Ayer Hitam SM1	300	......	Q300c	0.5	21.5
72	51	Beralt Tin	51	......	4.0	3.3	11.2
270	175	Berjuntai SM1	185	......	Q95c	ϕ	11.9
160	125	Geevor	130xd	−5	8.71	3.1	9.6
10½	8	Gold & Base 12½p	8	......	—	—	—
365	295	Gopeng Cons.	310	−5	†18.0	1.4	8.3
370	295	Hongkong	320	......	†12.5	2.8	5.6
98	64	Idris 10p	63xd	−1	†8.0	1.6	13.8
14	9½	Jantar 12½p	11	......	—	—	—
95	58	Kamunting SM0.50	73	−2	Q47½c	ϕ	15.9
620	210	Killinghall SM1	340	......	—	—	—
465	365	Malay Dredging SM1	400	......	†175c	0.7	1.6
57	28	ΔPahang	31	......	—	—	—
123	60	Pengkalen 10p	115	......	4.5	1.2	5.8
275	195	Petaling SM1	215	+5	†Q120c	1.3	12.0
85	62	Saint Piran	72	......	†2.03	6.5	4.0
58	43	South Crofty 10p	43	−1	†4.19	2.0	13.9
230	170	South Kinta SM0.50	195	......	Q150c	ϕ	18.6
405	285	Sthn Malayan SM1	340	−5	†Q150c	1.0	12.0
310	210	Sungei Besi SM1	255	......	Q520c	ϕ	58.4
75	40	Supreme Corp. SM1	45	......	Z010c	—	4.8
105	93	Tanjong 15p	95	......	7.5	0.7	11.5
115	90	Tongkah H. Tin	90	......	†Q24c	0.7	6.0
280	190	Tronoh SM1	210	+5	Q25c	5.2	2.7

COPPER

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
111	56	Messina R0.50	82	......	—	—	—

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
81	54	Barymin	58	−2	—	—	—
13½	10	Burma Mines 17½p	11½	+½	—	—	—
345	170	Cons. Murch. 10c	260	......	Z030c	—	5.9
410	290	Northgate C$1	350	......	—	—	—
362	226	R.T.Z.	280	......	11.5	2.7	5.9
51	18	Robert Mines	26	+1	—	—	—
65	30	Sabina Inds. C$1	35	−1	—	—	—
880	525	Tara Expln. $1	562	......	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
$17½	$10½	Buffels R1	$16⅜	+⅛	Q200c	ϕ	14.8
$15½	890c	East Drie R1	$13⅝	+⅝	†Q115c	1.6	10.1
$10¾	350c	East Rand Prp. R1	$10⅛	+⅜	†Q10c	—	1.2
$27⅝	$18¾	F.S. Geduld 50c	$27¾	+1¼	†Q515c	2.4	14.0
$19⅝	$11⅛	Pres. Brand 50c	$19¼	+¼	†Q150c	3.2	9.4
$18⅛	$10¼	St. Helena R1	$17⅞	+¼	†Q190c	1.4	12.9
760c	407c	Stilfontein 50c	720c	+5	†Q66c	1.7	11.1
$35¼	$18¾	Vaal Reefs 50c	$33¼	+⅜	†Q230c	2.7	10.7
$50⅛	$28⅜	West Drie R1	$47⅞	+1½	Q615c	ϕ	15.7
$56½	$22¼	West Hldgs. 50c	$34½	+1½	†Q415c	1.4	14.5
$18½	$10⅝	Western Deep R2	$15¼	+¼	†Q147½c	2.1	12.1

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling or in EEC currencies are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	......	Sindall (Wm.)	165	......
Bertam	22	−1	**IRISH**		
Bdg'wtr. Est. 50p	405	......	Conv. 9% '80/82	£66	......
Clover Croft	28	......	Nat. 9¾% 84/89	£71¾	+⅛
Craig & Rose £1	£11½	......	Fin. 13% 97/02	£85⅞	+⅛
Dyson (R. A.) A	26	......	Alliance Gas	85	......
Ellis & McHdy	180	......	Arnott	345	......
Fife Forge	54	......	Carroll (P.J.)	105	......
Finlay Pkg. 5p	19½	......	Clondalkin	79	......
Graig Ship. £1	315	......	Concrete Prods.	87	......
Higsons Brew	75	......	Heiton (Hldgs.)	77	+1
Holt (Jos) 25p	260	......	Ins. Corp.	200	......
I.O.M. Stm. £1	155	......	Irish Ropes	70	......
Pearce (C. H.)	265	......	Jacob	40	......
Peel Mills	30	......	T.M.G.	165	......
Sheff. Refrshmt	105	......	Unidare	61	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	9	I.C.I.	24	Tube Invest.	30
BOC Intl.	6	"Imps"	5	Unilever	55
B.S.R.	7	I.C.L.	35	U.D.T.	5
Babcock	16	Inveresk	7	Utd. Drapery	10
Barclays Bank	32	KCA	5	Vickers	18
Beecham	52	Ladbroke	22	Woolworths	7½
Blue Circle	18	Legal & Gen.	14	**Property**	
Boots	18	Lex Service	11	Brit. Land	7½
Bowaters	18	Lloyds Bank	25	Cap. Counties	9
B.A.T.	26	"Lofs"	5	Land Secs.	25
Brown (J.)	50	London Brick	7	MEPC	17
Burton 'A'	26	Lonrho	8	Peachey	13
Cadburys	7	Lucas Inds.	25	Samuel Props.	14
Courtaulds	10	"Mams"	12	Town & City	2¼
Debenhams	8	Mrks. & Spncr	11	**Oils**	
Distillers	21	Midland Bank	30	Brit. Petroleum	100
Dunlop	6½	N.E.I.	14	Burmah Oil	13
Eagle Star	14	Nat. West. Bank	28	Charterhall	5
E.M.I.	12	Do. Warrants	15	Premier	5
Gen. Accident	21	P & O Dfd.	10	Shell	25
Gen. Electric	35	Plessey	10	Ultramar	25
Glaxo	50	R.H.M.	5	**Mines**	
Grand Met.	14	Rank Org.	25	Charter Cons.	16
G.U.S. 'A'	30	Reed Intnl	18	Cons. Gold	20
Guardian	24	Sears	5½	Rio T. Zinc	27
G.K.N.	28	Spillers	4½		
Hawker Sidd	26	Tesco	7		
House of Fraser	18	Thorn	35		
		Trust Houses	17		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Saturday August 11 1979

MAN OF THE WEEK

Getting them together

BY DAVID PALMER

WITHIN an hour of Mrs. Thatcher's arrival at her bungalow in Lusaka's heavily guarded Mulungushi village 12 days ago, the Prime Minister was sitting with Mr. Shridath Ramphal, the 50-year-old Guyanan who is the Commonwealth Secretary-General.

To his staff he is "S.G." To everybody else he is "Sonny." *The stars of the drama unfolding* in Lusaka over the past two weeks have been the heads of government, with memorable performances in the leading roles from Margaret Thatcher, Julius Nyerere, and Kenneth Kaunda. The director of the show has been Sonny Ramphal, a short (5 ft 7 in) slightly chubby man who carries around with him an air of bubbling good humour and unfailing *charm*.

In the eight months before the Lusaka meeting, Ramphal

Ashley Ashwood

Shridath Ramphal: *patient determination*

visited Africa six times. From the time that the Conservative Government came to power in May, he engaged in three feverish months of international diplomacy, searching for consensus, patiently explaining the views of the British to the *Africans, and of the Africans* to the British: urging Kaunda and Nyerere to make full use of the Harlech mission to Africa: telling Mrs. Thatcher that "these were fellows she could do business with."

He persuaded Julius Nyerere, Africa's senior statesman and a man of formidable intellect, to lead off the Rhodesia debate. "I thought he would do it with calm and penetration and with utter credibility." He structured the agenda so that Rhodesia came up on the Friday, so when there could be a debate "but *not too much of a debate*." before what he saw as the crucial weekend in the informal surroundings of Lusaka's state *house*.

On the Friday night, he personally put together the group of six nations which was to thrash out the communique on Rhodesia.

The group of six—Britain, Tanzania, Zambia, Nigeria, Australia and Jamaica—talked over the Ramphal document for just three-quarters of an hour. There was enough common ground for them to ask Ramphal *and Sir Anthony Duff, a senior* Foreign Office official to spend most of Saturday afternoon working on drafting. On Sunday morning, the final sticking points were ironed out. For Mrs. Thatcher, the performance of Sonny Ramphal, director of the drama, had been "superb."

Sonny Ramphal is a lawyer by training, an international diplomat by trade. He has been Commonwealth Secretary-General since *1975*, and his offer to stay on for a second five-year term was gratefully accepted at Lusaka. The son of a schoolteacher, he came to London in 1947 to spend five years reading law.

His acute legal mind was quickly put to use when he joined *the Federal Government* of the West Indies, first as legal draftsman, later as assistant Attorney-General.

When Forbes Burnham became Prime Minister, he was invited back to Guyana where as Attorney-General he drafted the independence constitution. *At the time he took his present* job, he was both Foreign Minister and Justice Minister.

From his Commonwealth base, he has played an increasingly vocal part in urging the developed world to move to relieve the plight of the world's poor. His close associates see him as a potential successor to Kurt Waldheim as UN secretary general. But his heart remains with his ideal of a *West Indies Federation, this* time including Guyana. "I have grown up all my adult life feeling myself to be a citizen of the West Indies."

Begin seeks to avert Israel Cabinet crisis

BY DAVID LENNON IN TEL AVIV

MR. MENAHEM BEGIN, the Israeli Prime Minister, will make a major effort at the Cabinet meeting tomorrow to restore order to his strife-torn Government.

Public disagreement between Ministers over ways to fight rampant inflation and settlement policy in *the occupied* territories has led to serious doubts about the Government's ability to function effectively.

After three weeks' absence because of illness, Mr. Begin intends to warn his colleagues that their continuous public criticism of each other must stop because it is harming not only the ruling party but the country as a whole.

With only half of its term completed, the Government is so badly shaken by internal strife and the failure of domestic policies that talk of new *elections is commonplace*.

Members of the coalition parties are openly calling on the Premier to dismiss some Minis*ters, or at least stage a major* Cabinet reshuffle.

In a blistering attack this week on Ministerial rivalries and Government incompetence, Mr. Moshe Dayan, the Foreign Minister, said: "We are destroying ourselves from within."

The Government appeared to have no economic policy and no plans capable of halting spiralling inflation and the widening balance of payments gap. This could lead "to total economic ruin." Mr. Dayan said.

Inquiries by Mr. Cyrus Vance, the U.S. Secretary of State, about Israel's economic plight had led Mr. Dayan to believe that the weakness of the Government was encouraging the U.S. to urge Israel to make political concessions to the Arabs.

Mr. Begin's aides say that he has decided against a Cabinet reshuffle, preferring to rely on a stern lecture to restore Cabinet discipline.

But even if this has the desired effect, the Government still needs to display ability to control the economy, which is overheating and suffering from an inflation rate rapidly climbing towards the 100 per cent mark.

Opinion polls show that the popularity of Mr. Begin and his Cabinet has fallen drastically, despite the achievement of the peace treaty with Egypt.

One unexpected boost for the Government, however, comes with the publication of the memoirs of Mr. Yitzhak Rabin, the former Labour Prime Minister. These contain a scathing attack on Mr. Shimon Peres, now leader of the Labour Party. Members of Mr. Begin's Likud bloc hope this will take some pressure off them.

But other politicians believe that this diversion can only be temporary and that the Government's future depends on Mr. Begin's ability to regain control over his Cabinet.

● Britain has again protested to Israel about her "unacceptable" policy in the Lebanon, Mr. Douglas Hurd, Foreign Office Minister, confirmed yesterday.

He said that after the latest raid on July 22, the Government had received an eye-witness account from the British Ambassador in Beirut, "from which it is clear that the civilian Lebanese population was the principal victim of the air strikes."

Iran claims part-repayment on cancelled nuclear plants

BY ANDREW WHITLEY IN TEHRAN

IRAN is demanding repayment of part of the DM 5.877bn (£1.446bn) it has paid to the West German contractor Kraftwerk Union, a subsidiary of Siemens, in respect of work done on two uncompleted nuclear power plants at Bushire in the Gulf.

Mr. Fereidun Sahabi, head of the Iranian Atomic Energy Organisation, said yesterday Iran had no intention of paying Kraftwerk the DM 1bn it is claiming in back payments on *the project, cancelled last* month. Nor would there be any compensation for the termination of the contract.

Work on the power plants has been suspended for some time, and Iranian officials have repeatedly made clear in public *statements* that it would not be resuming.

In mid-April Mr. Sahabi had said a decision would be made "*in a few days' time.*" No final word was given to Kraftwerk, which tired of waiting and decided on July 26 to cut its losses by withdrawing.

Perhaps anticipating a long legal wrangle in an international court over the money Kraftwerk says it is owed, Iran has struck first, claiming it has proof of overcharging for the work completed.

The State radio announced yesterday that as Iran had suffered losses arising out of the cancellation of the project, once the country's most important, the contractor should make compensation, and the West German Government should take steps to ensure Kraftwerk met this obligation.

Mr. Sahabi said later he would like to see the dispute settled through bilateral *negotiations between the two* groups, with both governments involved as well. He did not favour going to international arbitration.

Relations between the two countries have become strained in recent weeks and the latest development will do little to improve them.

The Iranian authorities appear to be having second thoughts over scrapping the project, which is three-quarters complete. While the contract with Kraftwerk is firmly declared to be dead, the energy *organisation says it is going to* maintain the site works so that a future government will have the option of completing them.

In tough bargaining that lies ahead one of the few cards Kraftwerk has left to play is the Iranian request for a small number of its technicians to stay on at Bushire to look after equipment already installed.

Yesterday's Iranian statement means that Kraftwerk faces the prospect of writing off over £223.7m in addition to the heavy losses it is known to have incurred in keeping German technicians at Bushire while waiting for the Tehran Government to make up its mind.

Kraftwerk expressed surprise at the Iranian move, which comes after months of wrangling.

Kraftwerk withdrew from the *deal because it claimed that it* was owed about DM 1bn for work completed, as well as additional fees.

● *In* West Germany, Thyssen said its Rheinstahl Technik subsidiary would complete the Isfahan refinery project in Iran *as it has recently received pay*ment of DM 120m in outstanding debts from the National Iranian Oil company.

● *The Italian construction con*sortium Italcontractors has resumed work on a harbour at the Iranian port of Bandar Abbas, according to the "Voice of the Islamic Republic" Radio.

Weather

UK TODAY

CLOUDY with some rain, becoming brighter in the East.

London, S.E., E., E. Anglia, E. Midlands

Cloudy with rain, drier later. Max. 17C (63F).

N. England, W. Midlands, S.W., Cent. S. England, S. Wales, Channel Is.

Cloudy with rain. Brighter intervals later. Max. 19C (66F).

N. Wales, N. Irelnd, Is. of Man

Sunny intervals. Max. 18C (64F).

Scotland

Sunny intervals with scattered showers. Max. 15C (59F).

Outlook: Dry and warm in East with outbreaks of rain spreading from the West.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	25	77	London	F	19	66
Algiers	S	31	88	Los Ang.	S	25	79
Amsdm.	C	17	63	Luxmbg.	C	14	57
Athens	S	28	82	Madrid	S	31	88
Bahrain	F	34	93	Majorca	F	31	88
Barclna.	S	26	79	Malaga	S	26	79
Beirut	S	30	85	Malta	S	29	84
Belfast	C	14	57	Mchstr.	C	16	61
Belgrd.	F	25	77	Melbne.	R	11	52
Berlin	R	15	59	Mex. C.	C	18	64
Biarritz	C	22	72	Milan	S	29	84
Bmghm.	C	16	61	M'ntreal	S	17	63
Blackp'l	C	17	63	Moscow	F	22	72
Bordx.	C	20	68	Munich	C	15	59
Boulgn.	F	16	61	Nairobi	C	19	66
Bristol	C	17	63	Naples	C	25	77
Brussels	C	17	63	Nwcstl.	F	16	61
Budpst.	F	21	70	N. York	S	27	80
B. Aires	S	15	58	Nice	F	25	77
Cairo	C	28	83	Nicosia	F	29	85
Cardiff	C	17	63	Oporto	S	27	81
Cas'b'ca	S	24	75	Oslo	S	17	63
Cape T.	S	18	64	Paris	F	18	64
Chicago	R	24	77	Perth	C	14	57
Cologne	C	18	64	Prague	F	18	64
Cpnhgn.	R	13	55	Reyk'vk.	C	12	54
Corfu	F	29	84	Rhodes	S	28	82
Dublin	C	15	59	Rio J'o	S	28	82
Dbrvnk.	S	25	77	Rome	F	29	84
Ednbgh.	C	16	61	Salzb'rg	C	17	63
Faro	S	29	84	S. 'cisco	S	15	59
Florence	F	29	84	Singapr.	C	28	84
Frankf't	C	16	61	Stckhm.	F	19	66
Funchal	R	22	72	Strasbg.	C	17	63
Geneva	C	18	64	Sydney	S	14	57
Gibrltr.	S	24	75	Tangier	F	25	77
Glasgow	C	15	59	Tehran	S	28	83
G'nsey	R	15	59	Tel Aviv	S	29	84
Helsinki	C	15	60	Tenerife	S	20	68
H. Kong	C	26	78	Tokyo	S	30	85
Innsbr'k	F	19	66	Toronto	S	19	66
Invrnss.	C	15	59	Tunis	S	32	90
I.o.Man	C	15	59	Valencia	S	30	86
Jersey	C	17	63	Venice	F	24	75
Jo'burg	S	16	61	Vienna	R	18	64
L. Plms.	S	24	75	Warsaw	C	19	66
Lisbon	S	33	91	Zurich	C	14	57
Locarno	S	26	79				

C—Cloudy. F—Fair. R—Rain. S—Sunny.

EMI will not occupy new headquarters

BY MICHAEL CASSELL

EMI has abandoned plans to occupy new headquarters being built in London's Tottenham Court Road.

Earlier this year the group sold the freehold of the 3½-acre development to Prudential Assurance for £33m. Under a leaseback deal it intended to move in on completion of the building next autumn, on an annual rent of £2.6m.

*EMI, which has been ex*periencing losses on both its medical electronics and music businesses, said yesterday that the decision not to occupy most of the 200,000 square feet office complex was due to "a belt-tightening exercise" and the likelihood that the group was "going to change shape."

Although the construction costs problem had been solved by the Prudential deal, around £5m would be required to fit out the building. Consequently, the group intends to remain the head leaseholder but to let the building. It did not expect "any lack of interest" from potential tenants.

When the building was first planned it fitted in with the group's forward strategy and there was then no reason to suppose its fortunes would change, EMI said. But circumstances had since "altered appreciably" and the proposed sale of half the group's music interests to Paramount Pictures of the U.S. had a major bearing on future space requirements.

The planned deal would involve an independent joint venture under separate management and the need for central headquarters space *would, as a result, be funda*mentally altered. "Alternative plans" for a more efficient, central-London based organisation were now being prepared.

EMI emphasised that it saw no reason why the Paramount deal would not go through. "As far as we are concerned, our talks are proceeding as planned in the timetable set down when the proposals were first announced in July."

It hoped that the valuation exercise would be completed by the end of August and a deal announced in September, subject to shareholders' approval.

EMI purchased the Tottenham Court Road site in 1971 for £5.8m but serious planning delays held up development work until October 1976, by which time the group had planned to be in occupation.

Continued from Page 1

Shell and Esso

of the expected total UK requirement in the early 1980s.

Shell is to sell its share of the butane and propane produced from the separation plant to Northern Liquid Fuel International of Omaha, on a 10-year contract worth $100m a year at 1976 prices.

A £100m terminal is under construction at St. Fergus and a 130-mile land line will have to be built from it to Mossmorran. A planning application has been submitted to the Department of Energy for this, but there may have to be another public inquiry.

In the period between the completion of the terminal and the separation plant, gases will be burnt at the Peterhead power station and natural gasoline will be piped to BP's terminal at Cruden Bay.

Chrysler to lodge viability plan

By John Wyles in New York

CHRYSLER CORPORATION expects to lodge an operating plan with the U.S. Government early next month. It will seek to demonstrate how the ailing motor company can be made viable on the basis of Federal loan guarantees.

Formulation of the plan was *one of the tough conditions* demanded by Mr. William Miller, the Treasury Secretary when he announced on Thursday the Carter Administration's undertaking that it would consider extending Federal loan guarantees to Chrysler.

Although not officially confirmed, it appears that if the Administration presses ahead, it would seek Congressional approval for guarantees worth between $500m and $750m. This would be substantially less than the $1bn interest-free cash advance which Chrysler had sought from the Government and which was unequivocally refused by Mr. Miller.

The company told the Government it could not survive as a major car and truck manufacturer without $1bn *over the next two years, and* its public approval of Mr. Miller's statement has puzzled many people here.

But it is widely thought that Mr. John J. Riccardo, the company's chairman, needs to sound optimistic about the outlook in order to forestall an avalanche of claims from small suppliers and other creditors worried about the prospects for receiving cash *owed them*.

Present size

To that extent, Mr. Miller's announcement, made at short notice, is thought likely to buy Chrysler some time during which it can redouble its efforts to sell $750m worth of cars and trucks in stock.

But opinion among analysts in New York is that even *$750m of loans backed by the* Government, upon which Chrysler must pay interest, will not enable the company to remain at its present size. This is because it is expected to lose more than $700m this year and several hundred million next. It is also committed to spending at least $1.6bn on product development programmes by the end of next year.

At $1.2bn its long-term debt is already the highest in the industry. More borrowing, higher debt costs and a recession which could make its sales even weaker next year face the company with critical difficulties.

The Government needs to be satisfied that Chrysler has a plan which offers a reasonable chance of recovery so that it can convince many sceptical Congressmen to vote for loan guarantees. The White House and Congress will want to avoid any risk *that Chrysler will be back* with the begging bowl in a year or so.

Meanwhile, Chrysler has confirmed that some of its 35,000 white-collar workers will soon be joining some 23,800 of the company's manual workers on indefinite lay-offs. According to reports, between 5,000 and 7,000 salaried employees would be affected.

● *About 420,000 of Ford* Motor's German-manufactured Capris may have to be recalled. The National Highway Traffic Safety Administration says it has found evidence of safety problems caused by seats which collapse backwards, gear levers which fall off and faulty headlight switches. It has scheduled a public hearing on September 18 to take testimony from Ford and the public.

Continued from Page 1

Home loans

that demand for credit is easing, the Government could by then consider allowing a fall in interest rates. But a modest reduction in existing levels may not prove sufficient to encourage a change in the July decision.

One thing is certain. The present interest rate structure of 8¾ per cent net payable to ordinary investors (equivalent to 12½ per cent for basic income tax payers) and a mortgage rate of 11¾ per cent cannot be sustained beyond the end of the year however much money the societies attract.

The structure is likely to cost the societies up to £80m. The bulk of it is being financed by *a windfall in the shape of lower* tax bills arising out of the Budget. In January, either the cost of home loans will have to rise or general interest rate changes in the economy will enable the societies to introduce a new set of investors' and borrowers' rates of their own.

THE LEX COLUMN

Investing close to home

Sentiment in the gilt-edged market is so unreservedly bullish at the moment that the quite unexpected news of yet another tap stock, this time a short-dated issue, 11¾ per cent 1984 at a minimum £97.25, was swallowed with hardly a murmur. It is the first partly-paid short-dated stock, which can be seen as an attractive innovation, and the super-optimists were arguing that the authorities are being weaned off high-coupon long taps.

It is difficult to see, though, how £1bn of new stock, which underlines more painfully than ever the size of the gross funding requirement, can do any good to a market in which liquidity is short. Although the issue is partly paid, it will only increase the strain on the money markets in the coming month, and the fact that it is being tendered on banking make-up day may throw a little spanner into the intricate works of corset avoidance. This, taken together with the Bank of England's decision not to postpone Monday's recall of special deposits, makes it look suspiciously as though the squeeze on the banking sector is being stepped up.

Englishman's castle

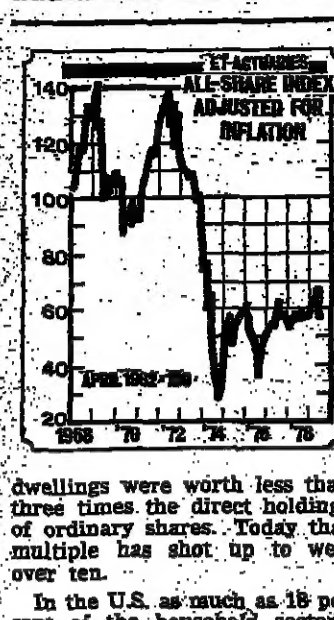
The value of Britain's housing stock is today well over twice the market worth of British industry, as reflected in Stock Exchange prices. This is a new phenomenon, and one that is not *confined to the United Kingdom*. It is a reflection of the way in which the profitability of commercial activity has been declining over a number of years, while substantial incentives have been given to home owners.

In 1972 the market capitalisation of UK and Irish registered companies was on average just short of £60bn. Today the figure is about £80bn. Over the same period the estimated value of the housing stock has risen much more sharply.

The personal sector's housing stock was estimated to be worth £82bn in 1972 by the Central Statistical Office, and £150bn in 1976. Today, according to *brokers L. Messel and Co.*, the figure is well over £200bn. There is a similar story in the U.S. According to a recent study by Morgan Guaranty, home values in the U.S. are rising at an annual rate of more than $150bn while the stock market stagnates.

On top of these changes in relative values, there have been major portfolio shifts by the personal sector. Again in 1972 personal sector holdings in

Index rose 2.6 to 470.0



dwellings were worth less than three times the direct holdings of ordinary shares. Today that multiple has shot up to well over ten.

In the U.S. as much as 18 per cent of the household sector's net worth is accounted for by the equity in housing, against 13 per cent in the 1960s. The value of homeowner equity is put at about 150 per cent of the market value of common stocks *owned by householders; during* the 1960s it was less than 50 per cent.

There are several reasons for these long term structural changes, and clearly an important one is that the personal sector has prospered to some extent at the expense of industry. Profits have been falling as a percentage of gross domestic product. In the UK they dropped from 13 per cent to 9 per cent in the decade up to 1977. At the same time, the share of personal income has been edging higher.

Lower returns

As part of this process the returns earned by the company sector in its capital have been dwindling. In real terms the rate of return has declined from around 10 per cent in the mid 1960s to perhaps 4 per cent today. Since factories and equipment can no longer generate the profits they once did, their real *value has declined*,— as is evident in the pattern of prices of shares, which represent such assets at one remove.

*House prices have been vola*tile, but over a long period they have tended to keep just ahead of inflation. They are closely linked to average earnings: currently the average house price is around 3½ times average earnings, which is lower than the multiple in the boom of the early 1970s, but is roughly typical of the long-term relationship.

The rise in house prices reflects the fact that people are willing and able to capitalise their increased real incomes in the form of houses financed by debt. They are given attractive incentives to do so, notably in this country through the ability to obtain tax relief on mortgage interest payments. It has been estimated that nearly 90 per cent of net personal savings in the UK pass through the three channels which receive particularly favourable tax treatment —owner-occupied housing, pension funds, and life insurance.

In the U.S. the pattern is not quite so extreme—some 60 per cent of savings fall into these categories. Nevertheless, Government agencies have taken specific measures to improve *the flow of mortgage finance* in the recent past. Mortgage debt is today easily the largest and fastest growing sector of the U.S. capital market.

Home improvement

The desire to invest in houses and move up *the market* is now feeding back into the stock market itself. One of the few glamorous sectors that remains is home improvement, with retailers and manufacturers cashing in on the do-it-yourself and home extension boom.

But an economy cannot prosper in such a cosy closed circle for very long. If the manufacturing and commercial base continues to erode there will come a stage when it is unable to generate the incomes which support the value of the houses in real terms. At the moment, evidence is beginning to appear that house prices are encountering the kind of cyclical setback that they were last affected by in 1973, although it is unlikely to be on such a severe scale.

But nobody is going to switch his investment out of his comfortably appointed suburban villa into ICI Ordinary shares unless there is some pretty convincing evidence that the attitude to profits seen in the last decade is going to change. Maybe with the arrival of dividend freedom, and the abolition of dividend controls there is *just* a hint that such a shift could occur. At the same time there is a debate developing over the merits of discriminatory tax relief for particular forms of investment. Significantly, the Chancellor did not raise the £25,000 limit on qualifying mortgage loans. But the trends have become so well established that attracting personal savings back into industry and commerce is going to be an uphill struggle.

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